



2010/2011

Annual Report

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LESEDI
LOCAL MUNICIPALITY / PLASLIKE MUNISIPALITEIT



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Foreword by the Executive Mayor



Municipalities are required to account and be transparent in the manner in which they conduct their affairs. Presenting an annual report is one of the indicators of transparency and accountability from the side of the municipality. Allow me to present this annual report which reflects on progress made by Lesedi Local Municipality in meeting its strategic objectives during the 2010/2011 financial year.

During the financial year under review, there were significant achievements made by the municipality in making the lives of the people better. The 2010/2011 financial year was another year whereby the municipality managed to acquire an unqualified audit opinion from the Auditor General, making it the 10th financial year for the municipality to attain this achievement. The municipality is striving towards achieving Clean Audits, as part of the Provincial Operation Clean Audit campaign by 2014.

The significant portion of the budget has been allocated towards fundamental infrastructure, which includes electricity and water supply within the municipality. The construction of roads in previously disadvantaged areas has also reduced the current backlog, thus making networking and communication easy for our communities.

The municipality endeavors to support Local Economic Development by creating a conducive environment that would ensure that local and foreign investors are attracted into the area. Coupled with this are continued support initiatives which are geared towards Small, Medium and Micro Enterprise (SMME) development. Furthermore the municipality commits to utilizing the Expanded Public Works Programme (EPWP) as one of the tools used to creating jobs and improving the lives of the community.

The identification of Devon as one of the sites for Comprehensive Rural Development Programme by National Government is one of the major achievements which will assist in rolling out a number of related projects in the area and contribute in bringing service delivery to the people.

To conclude, I wish to encourage our community to take advantage of the public participation platform where they can continue to take part in deciding, planning and playing an important part in the running of the municipality through the ward committees, IDP processes and other committees of Council.

Lerato Franscina Maloka (Councillor)
Executive Mayor

Municipal Manager's Overview



During the year under review, the world was gripped by the stranglehold of a global economic meltdown that caused untold misery and loss for millions of people. While the financial crisis affected the whole world, some countries were lucky enough to escape with only minor cuts and bruises – South Africa being a case in point. The end of 2009 heralded the turnaround in the economic situation with many countries coming out of recession, albeit only on an almost academic level.

It is a pleasure to present the Annual Report of Lesedi Local Municipality for the 2010/11 financial year. Lesedi Local Municipality, during the year under review, was charged with the weighty responsibility of providing basic services and promoting community development. As one of the institutions tasked with this mission in terms of section 152 of the Constitution, Lesedi Municipality has made considerable strides to comply with the constitution.

The Municipality was charged with responsibilities of eliminating poverty, promoting and facilitating job creation through capital and community projects, attracting investors to the area, promoting SMMEs, promoting tourism and agricultural development by actively participating in the Comprehensive Rural Development Initiatives to benefit communities, ensuring that basic services are provided to the optimal for the creation of an enabling social and economic condition for its people, promoting and maintaining safe and healthy environment. Officials strived to deliver on the Municipality's mandate in the year under review. The activities documented in the annual report are a testimony as to how the Municipality and its partners contributed to improving the quality of life of people of Lesedi. Promoting financial viability, working towards clean audits, establishing partnerships, upgrading roads and healthy environment constitute some of our priorities for the coming year.

In addition to complying with statutory requirements of section 121 of the Municipal finance Management Act 56 of 2003, the annual Report of the Municipality is an important vehicle for accounting to our people/clients, stakeholders, the general public and our principals on our achievements in the field of service delivery and in promoting good and sound governance.

In conclusion I would like to thank the management team and the entire administration for commitment and contribution over the financial year. I would also like to express gratitude to the Executive Mayor and Councillors for their leadership and support in working towards achieving the objectives of the Lesedi Local Municipality.

Acting Municipal Manager
Zwelibanzi Jacob Majola



ANNUAL REPORT

PERFORMANCE & RISK MANAGEMENT

BY MAKING USE OF THE PDLAM SOFTWARE PROGRAMME

2010/2011 FINANCIAL YEAR

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1. INTRODUCTION

This report provides information around the performance of the Lesedi Local Municipality over the **2010/2011 Financial Year** in comparison with the 2009/2010 financial year.

FOUR(4) tools of the PDLAM System, were used to measure the performance of the municipality as a whole, i.e. ¹**Purpose Portfolio** (to measure the *Responsibilities*). The ²**MCCA Document** (to measure the overall *Management of the municipality*). The ³**Internal Appraisal** (to measure General *Behaviour and Attitudes*). ⁴**External Appraisal** (to measure the *Service Delivery as well as the implementation of Batho Pele Principles*)

Whilst the information in this report will focus on the results of the 2010/2011 Financial Year, the information of the previous financial year is repeated for comparison purposes and to reach a conclusion.

2. OVERVIEW

This report will be comprehensive in that it provides an arrangement of management information to appraise performance of both the Politicians (Governance Function) as well as the Management (*Administrative Function*) of the Lesedi Local Municipality.

Due to the fact that a detailed analysis were compiled for both the six(6) month performance cycles of the 2010/2011 financial year. This ANNUAL REPORT, will present the **average performance outcome** over two financial years, to determine whether the performance have increased or decreased, where after an **Executive Summary** will follow and the report will be completed with a **Conclusion** on the performance outcome.

The following table indicates the score range of star ratings used in this report.

RATNG IN STARS	SCORE RANGE	CLASSIFICATION	COLOUR
EMERGENCY	0% – 35%	Unacceptable Performance	RED
1 STAR RATING	36% – 48%	Unsatisfactory Performance	ORANGE
2 STAR RATING	49% – 61%	Maintenance Performance	YELLOW
3 STAR RATING	62% – 74%	Satisfactory Performance	GREEN
4 STAR RATING	75% – 87%	Superior Performance	VIOLET
5 STAR RATING	88% – 100%	Ultimate Achievement	BLUE

3. GOVERNANCE RESPONSIBILITY

A proper distinction has been made between role players conducting governance in the municipality. This distinction is essential because each group on the level of governance has specific responsibilities and has therefore specific roles to play for which they are accountable. In accordance with the **Systems Act (Act 32 of 2000)**, these roles should be subjected to performance and risk management and eventually to internal audit to verify the processes and the outcomes.

Governance comprises the roles of the Mayoral Committee, Speaker, Ward- & PR Councillors. The results obtained from each group are shown separately to appraise performance and to make comparisons that can be used for benchmarking. PLEASE NOTE : that in this report, the unit of the Speaker, Ward & PR Councillors, will be referred to as the **Council**.

4. ADMINISTRATIVE RESPONSIBILITY

In accordance with the Systems Act, responsibilities should be subjected to performance and risk management and eventually to internal audit in order to verify the processes and the outcomes.

The Administrative Pillar comprises the roles of The Municipal Manager, Heads of Departments and all employees of the municipality who have recorded objectives (*responsibilities*) in a purpose portfolio and who have completed a MCCA Document (*questionnaire*). The results/outcome obtained from each group will reflect in table format in this report (*MSACA & MSALA*) in comparison with the previous year that will eventually be used to improve performance through effective communication, performance review discussions, meetings, workshops etc. PLEASE NOTE : that in this report, the unit for **Senior Management Team** means the Municipal Manager and all the Heads of Departments.

5. THE MANAGEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM

An established Steering Committee consist of the Performance Management Coordinator and all the Secretaries of both the Political & Administrative Pillar of the council. The secretaries is the most appropriate candidate who works closely with the Office Manager / Head of Department and who is normally well informed on the goals or objectives as recorded in the planning documents. This individual is involved and/or aware of departmental meetings and also has the knowledge of the duties and responsibilities of the rest of the unit/department. On the other hand the employees within the unit / department are familiar with the secretary who in turn can provide them with information around performance management system as and when required.

All stakeholders remain informed via the Steering Committee Members that meets once a month. During Steering Committee meetings, the monthly implementation plan (*as published in the Integrated Development Plan (IDP) Document*), timeframes, audit queries and other important matters is discussed and minuted.

6. TRAINING ON THE APPROVED PERFORMANCE MANAGEMENT SYSTEM

Training is available and ongoing for both the Political and Administrative Pillars to ensure that employees are well informed around the management of the main tools of the system (*i.e. The Purpose Portfolio & the MCCA Document*).

The outcome of the training that was conducted during the 2009/2010 financial year is indicated in the following table. **108** Employees were trained on the management of the two main tools of the PDLAM System:-

TRAINING : 2010/2011 FINANCIAL YEAR
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NR	POLITICAL UNIT	MEMBERS	TRAINED	NR	ADMINISTRATIVE DEPARTMENT	TOTAL EMPLOYEES Level 1 - 12	TOTAL TRAINED Level 1 - 12
1	MAYORAL COMMITTEE	5	5	1	OFFICE OF THE MUNICIPAL MANAGER	2	0
2	SPEAKER, WARD- & PR COUNCILLORS	19	0	2	DEPARTMENT FINANCIAL SERVICES	28	0
				3	DEPARTMENT SERVICE DELIVERY	40	0
3	OFFICE OF THE EXECUTIVE MAYOR	3	0	4	DEPARTMENT DEVELOPMENT & PLANNING	18	0
				5	DEPARTMENT CORPORATE SERVICES	17	3
4	OFFICE OF THE SPEAKER	2	2	6	DEPARTMENT COMMUNITY SERVICES	74	0
TOTAL		26	7	TOTAL		179	3

7. DEVELOPMENT & IMPLEMENTATION OF **LEVEL 2 OF THE APPROVED SYSTEM (All Technical Staff Members up to Level 12)**

With municipalities that is diverse in the sense that it can only be fully effective and functional with both highly skilled and the most practical staff members, it is imperative that the performance management system is flexible enough to accommodate both skills. For that purpose, the approved SDBIP of the 2010/2011 financial year, required of the Municipal Manager to ensure that the system be further developed to accommodate the Technical Staff members of the municipality (*the employees who are not office bounded*). **The outcome** thereof, is that all staff members of the Lesedi Local Municipality, up to Salary Scale T5 have participated in the six-month performance outcome of the municipality that closed at the end of June 2011.

8. POLICY OF THE PERFORMANCE & RISK MANAGEMENT SYSTEM

The Performance Management Policy was reviewed and approved by Council during July 2011 (LC.MC 337/07/2011).

9. RISK AND PERFORMANCE MANAGEMENT & SWOT ANALYSIS FOR THE 2010/2011 FINANCIAL YEAR

Apart from managing the SWOT Analysis of the Council, all stakeholders participated with the measurement of the municipal performance as a whole. As a calculated risk is involved with each objective to be achieved, it is important that the incumbent consider risk with objective setting. - **For example** - the objective reads **"To ensure that the Executive Mayor is transported to a Strategic Meeting with the MEC on Thursday 31 August 2010 at the Kwiwitskroon Conference Centre"** **what would be the risks to consider ?** - FATALITY - **Personal Safety** (*Experienced Driver / Guard / Sober Habits*) **Promptness** (*Proper Planning of departure and arrival times, road maps, parking facilities etc*) **Transport** (*Booking of official council vehicle. Proper maintenance check, enough fuel to and from the venue*) etc. These factors ensures that the philosophical domain of the responsible incumbent becomes active and therefore acts as a leader from the position.

The SWOT Analysis of the Municipality is normally reviewed during an Annual Strategic Retreat and a complete copy thereof must reflect in the Purpose Portfolio of the Municipal Manager. Each Head of Department select the areas in the SWOT Analysis Report as applicable to his/her department that will reflect in the purpose portfolios of that whole department. The RISK Register and SWOT Analysis of the Lesedi Local Municipality was reviewed and approved by Council during **FEBRUARY 2011 (LC.MC – 89/02/2011)**.

10. MEASUREMENT OF RESPONSIBILITIES - OBJECTIVES AGAINST PRE-DETERMINED TARGETS *(Responsibility Reports)*

Chapter 5 of the Systems Act (Act 32 of 2000) is clear on the requirements for the planning of objectives for a particular financial year. The Act inter alia requires community participation. It was therefore ensured that the specific requirements of the act were adhered to.

In order to ensure that the planning and/or objectives to be achieved was implemented and monitored for effectiveness, it was cascaded down between accountable and responsible employees up to the lowest level for implementation. Steps on how the objectives would be achieved, was recorded in the purpose portfolios of the responsible incumbents. Quarterly performance review discussion were arranged to monitor the implementation. This process did not only open the communication channels between management and the rest of the personnel, it also assisted employees to act as leaders from their positions and to understand the chain of responsibility. Employees became aware of the reason for being and right of existence within the municipal framework. With this process proof of performance becomes visible and available for audit purposes.

The outcome of the overall management of responsibilities, pre-determined targets and objectives of the SDBIP, will reflect under **Point 14** – in the **MSACA & MSALA Table format outcome** of each respective unit / department within this Report.

11. MEASUREMENT OF GENERAL BEHAVIOUR & HELPFUL ATTITUDE (Internal Appraisals)

Different units within the municipality make use of one another in the performance of their daily responsibilities. This can have the consequence of being hampered with the achievement of results. The Internal Appraisal System of the PDLAM Approach, allows the municipality to measure the general behaviour and helpful attitudes. For that purpose each section in the municipality was appraised by five(5) other sections in the form of a 7 point Internal Appraisal Questionnaire and feedback by means of a star-rating between 1-5. The outcome thereof was reconciled. The purpose of the internal appraisal system is to improve the service delivery within the municipality that in turn will improve the service delivery to the community in general. **The outcome** will be discussed under **Point 15 – Outcome of General Behaviour & Attitudes** of this report

12. MEASUREMENT OF SERVICE DELIVERY & BATHO PELE PRINCIPLES – COMMUNITY PARTICIPATION (External Appraisals)

Legislation requires of a municipality to ensure community participation in the planning of objectives as well as in the measurement of performance. In order to complete the full 360° measurement of the municipal performance the approved system allows the community to participate. For that purpose an External Appraisal system was developed in the form of a questionnaire that was made available on the internet, at public pay points and at libraries. Community members, business men and service providers had the opportunity to express their experience or opinions by means of a rating between 1 – 5 that provided feedback to council on the provision of basic services, the cleanliness of the particular wards and towns, parks and open spaces and

many more. **The outcome** of service delivery and batho pele principles will be discussed under **Point 16 - Outcome Community Participation** of this Report.

13. MEASUREMENT OF THE MANAGEMENT OF THE MUNICIPALITY (MCCA Document)

The approved system allows the municipality to measure both the **hard issues**(responsibilities) as well as the **soft issues**(management). In order to assist with the measuring of the management of the municipality, the Model for Cyclical Comparative Analysis (MCCA DOCUMENT) is used. The MCCA Document in the form of a questionnaire contains questions in relation to the management of the municipality. The incumbent who then act as an auditor whilst completing the questionnaire, will provide feedback in the form of a star-rating between 1 – 6. With a clear understanding of each respective domain to be assessed, it can be accepted that for example, 500 honest opinions reflects a true performance outcome on the management of the municipality as a whole. **The outcome** of the overall management of the municipality will reflect under **Point 14** – in the **MSACA & MSALA Table format outcome** of each respective unit / department within this Report.

14. OUTCOME OF MUNICIPAL PERFORMANCE - MANAGEMENT & RESPONSIBILITIES (Both Had Issues & Soft Issues)

The feedback information of all the measurement tools as explained above, were captured onto the software program which produced an outcome in the form of analysis reports. The analysis reports were analysed and the information for the 2009/2010 financial year in comparison with the previous financial year were summarised in table format that clearly indicates **MSACA & MSALA**. These tables are numbered and allocated as follows :-

THE POLITICAL PILLAR

Table 1 & 2 - The Mayoral Committee
Table 3 & 4 - The Council

(i.e. **The Executive Mayor and MMC Councillors**)
(i.e. **The Speaker, Ward & PR Councillors**)

THE ADMINISTRATIVE PILLAR

Table 5 & 6 - The Senior Management Team (i.e. **The Municipal Manager & Heads of Departments**)
Table 7 & 8 - The Administrative Office of the Executive Mayor
Table 9 & 10 - The Administrative Office of the Speaker
Table 11 & 12 - The Department of Service Delivery
Table 13 & 14 - The Department of Community Services
Table 15 & 16 - The Department of Development & Planning
Table 17 & 18 - The Department of Corporate Services
Table 19 & 20 - The Department of Financial Services

EACH UNIT AS DESCRIBED ABOVE WILL BE PRESENTED IN THE FOLLOWING MANNER :-

Page One of each particular unit/department will represent an average outcome of information derived from the analysis reports.

The following Page – will follow with a summary outcome (also in table format), of responsibilities against pre-determined targets.

14.1 MAYORAL COMMITTEE

TABLE 1						
MSACA						
A Demonstration of the effective functioning as well as the impact of uncontrolled variables of the 2010/2011 financial year against the outcome of the previous financial year.						
	EXECUTIVE MAYOR		MAYORAL COMMITTEE		UNIT AVERAGE	
	Score %	Star Rating	Score %	Star Rating	Score %	Service Levels
2009/2010	CYCLE 1	84.72	Four	82.37	Four	Four
	CYCLE 2	79.29	Four	81.65	Four	Four
2010/2011	CYCLE 1	85.81	Four	82.67	Four	Four
	CYCLE 2	80.34	Four	81.13	Four	four
<p>The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Report that was produced by the software program.</p> <p>This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.</p> <p>The outcome in the above table provides information to the newly elected Executive Mayor on the current performance standard over the financial year in discussion.</p>						

TABLE 1 Reflects a consistent performance outcome over two financial years, that is commendable. It is clear that the outgoing Mayoral Committee had a clear understanding of the systems and processes of what was expected of them to ensure that the unit remain fully functional.

TABLE 2 Reflects a performance outcome of a very high standard. Although it is clear that the outgoing Executive Mayor were not in full agreement with the members of the Mayoral Committee on their particular leadership and general behaviour over the 2010/2011 financial year.

TABLE 2						
MSALA						
A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2010/2011 financial year in comparison with the previous financial year.						
	Purpose Portfolio	Leadership	General Behaviour	Average	Star Rating	Service Level
2009/2010	CYCLE 1					
	Self	90.00	97.14	95.83	94.32	Five
	Superior	78.2	78.57	82.50	79.76	Four
	CYCLE 2					
2010/2011	Self	91.7	92.06	87.50	90.42	Five
	Superior	87.7	78.57	80.56	82.28	Four
	CYCLE 1					
	Self	88.0	89.52	91.20	89.57	Five
2010/2011	Superior	88.0	79.05	81.67	82.91	Four
	CYCLE 2					
	Self	94.3	89.88	91.67	91.95	Five
	Superior	94	76.79	82.29	84.36	Four
<p>The average percentage outcomes in the above table, was taken from the MSACA Analysis Report that was produced by the software program.</p> <p>This table reflects the outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.</p> <p>The above outcome provides performance information to the newly elected Executive Mayor on the current performance standard of Responsibilities, the Leadership, Communication and General Behaviour over the financial year in discussion.</p>						

SUMMARY OF RESPONSIBILITIES
OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS
DERIVED FROM PURPOSE PORTFOLIOS OF THE MAYORAL COMMITTEE

NUMBER	KPA'S / KPI'S	MEASURABLE OBJECTIVE	RESULTS CYCLE 1 2010/2011 FIN. YEAR	DEVIATION	RESULTS CYCLE 2 2010/2011 FIN. YEAR	DEVIATION
1	PERFORMANCE & RISK MANAGEMENT	The applying of tools available in order to perform your duties and measure your performance within the specific business unit / department of the municipality.	87.5	For further details see the Purpose Portfolios of the Executive Mayor & MMC Councillors	79.5	Due to late Submission
2	COUNCIL COMMITMENT (Meetings)	Attend all respective meetings allocated to you as a Ward / PR Councillor in order to pursue your purpose within the municipality	90.2	Full attendance of Mayoral & Council meetings could not be achieved due to the attendance of trainings and workshop by the Executive Mayor	88.6	Full attendance of Mayoral & Council meetings could not be achieved due to the attendance of trainings and workshop by the Executive Mayor
3.	WARD/COMMUNITY COMMITMENT	Ensure that all municipal services are rendered to the community in order to create an environment and enhance the quality of life of community members within the ward	91.8	Service Delivery was affected due to the recession experienced within the cycle.	80.0	No regular meetings were held during this cycle
4.	MMC COMMITMENT	Oversee the pursuit of the purpose for the Administrative pillar as applicable to the MMC's	90.1	Not all council resolution were implemented before the end of cycle.	94.5	Not all council resolution were implemented before the end of cycle.
5.	POLITICAL COMMITMENT	Oversee the pursuit of the purpose for the Administrative Pillar as applicable to Executive Mayor	85.1	Recession has put a strain on the budget and as a result some of the projects and activities were suspended until the council is financially stable.	89.0	Due to the FIFA 2010 World Cup some of the activities were postponed
TOTAL AVERAGE PERCENTAGE			88.80		86.32	

14.2 THE COUNCIL OF LESEDI LOCAL MUNICIPALITY

MSACA									
TABLE 3		A Demonstration of the effective functioning as well as the impact of uncontrolled variables of the 2010/2011 financial year against the outcome of the previous financial year.							
		SPEAKER		WARD COUNCILLORS		PR COUNCILLORS		UNIT AVERAGE	
		Score%	Star Ratings	Score %	Star Ratings	Score%	Star Ratings	%	Star Rating
2009/2010	CYCLE 1	83.32	Four	70.23	Three	70.71	Three	71.26	Three
	CYCLE 2	66.68	Three	66.61	Three	66.17	Three	66.48	Three
2010/2011	CYCLE 1	83.32	Four	71.24	Three	60.19	Three	69.62	Three
	CYCLE 2	83.32	Four	74.73	Four	66.70	Three	72.63	Three
<p>The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Report that was produced by the software program.</p> <p>This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.</p> <p>The outcome in the above table provides feedback to the newly appointed Speaker of the Council on the current performance standard over the financial year in discussion.</p>									

TABLE 3 Reflects a fairly consistent performance over two financial years. It reflects as if the former Speaker, Ward & PR Councillors were familiar with the systems and processes as expected to keep the unit functional.

TABLE 4 Reflects a performance outcome of a good standard. Although it is clear that the former Speaker of the Council was not in full agreement with the members of the Council on their particular leadership and general behaviour over the 2010/2011 financial year.

TABLE 4		MSALA						
		A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2010/2011 financial year in comparison with the previous financial year.						
		Purpose Portfolio	Leader-ship	General Behaviour	Ave- rage	Star Rating	Service Level	
2009/2010	CYCLE 1							
	Self	87.8	74.92	82.22	81.65	Four	Superior	
	Superior	89.8	65.08	65.28	73.39	Three	Satisfactory	
	CYCLE 2							
	Self	95.0	78.04	82.87	85.3	Four	Superior	
	Superior	85.0	61.90	64.35	70.42	Three	Satisfactory	
	CYCLE 1							
	Self	92.93	77.94	80.00	83.62	Four	Superior	
2010/2011	Superior	91.5	63.17	64.44	73.04	Three	Satisfactory	
	CYCLE 2							
	Self	92.7	78.73	82.50	84.64	Four	Superior	
	Superior	90.9	59.37	55.83	68.7	Three	Satisfactory	

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.

The outcome in the above table provides feedback to the newly appointed Speaker of the Council on the current performance standard over the financial year in discussion.

SUMMARY OF RESPONSIBILITIES

OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS OF THE SPEAKER, WARD & PR COUNCILLORS

NUMBER	KPA'S / KPI'S	MEASURABLE OBJECTIVE	RESULTS CYCLE 1 2010/2011 FIN. YEAR	DEVIATION	RESULTS CYCLE 2 2010/2011 FIN. YEAR	DEVIATION
1.	PERFORMANCE & RISK MANAGEMENT	The applying of tools available in order to perform your duties and measure your performance within the specific business unit / department of the municipality.	77.20	For further details see the Purpose Portfolios of the Speaker, Ward & PR Councillors	80	For further details see the Purpose Portfolios of the Speaker, Ward & PR Councillors
2.	COUNCIL COMMITMENT (Meetings)	Attend all respective meetings allocated to you as a Ward / PR Councillor in order to pursue your purpose within the municipality.	76.25	Full attendance of Council meetings could not be achieved due to the attendance of trainings and workshop by the Members	80	Full attendance of Council meetings could not be achieved due to the attendance of trainings and workshop by the Members
3.	WARD/COMMUNITY COMMITMENT	Ensure that all municipal services are rendered to the community in order to create an environment and enhance the quality of life of community members within the ward. Communicate the approved policies, by-laws including the payment for services rendered to the community during ward committee meetings.	73.33	Service Delivery was affected due to the recession experienced within the cycle.	80	Service Delivery was affected due to the recession experienced within the cycle.
TOTAL AVERAGE PERCENTAGE			75.59		80 %	

14.3 SENIOR MANAGEMENT TEAM

TABLE 5		MSACA				
		MUNICIPAL MANAGER		HEADS OF DEPARTMENTS		AVERAGE PERFORMANCE
		Score %	Star Rating	Score %	Star Rating	Service Levels
	CYCLE 1	84.34	Four	75.68	Four	Superior
	CYCLE 2	84.34	Four	80.27	Four	Superior
	CYCLE 1	77.95	Four	76.55	Four	Superior
	CYCLE 2	77.95	Four	81.21	Four	Superior
2009/2010						
2010/2011						

The average percentage outcomes in the above table was taken from the **MSACA Corporate Appraisal Report** that was produced by the software program.

This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.

The outcome in the above table provides feedback to the Municipal Manager on the effectiveness of the performance of the Senior Management Team over the financial year in discussion.

TABLE 5 Reflects a consistent performance outcome over two financial years, that is commendable. The Senior Management Team had a clear understanding of the systems and processes of what was expected to ensure that the administrative pillar remains functional.

TABLE 6 Reflects a performance outcome of a good standard on their particular leadership and general behaviour over the 2010/2011 financial year.

TABLE 6		MSALA					
		A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2010/2011 financial year in comparison with the previous financial year.					
		Purpose Portfolio	Leadership	General Behaviour	Average	Star Rating	Service Level
2009/2010	CYCLE 1						
	Self	87.3	81.35	84.03	84.23	Four	Superior
	Superior	87.7	74.21	75.69	79.2	Four	Superior
	CYCLE 2						
2010/2011	CYCLE 1						
	Self	90.2	83.73	84.72	86.22	Four	Superior
	Superior	75.0	68.25	68.06	70.44	Three	Satisfactory
	CYCLE 2						
2010/2011	CYCLE 1						
	Self	89.2	80.16	83.33	84.23	Four	Superior
	Superior	85.3	76.59	79.17	80.35	Four	Superior
	CYCLE 2						
2010/2011	Self	89.3	80.56	83.33	84.4	Four	Superior
	Superior	84.5	78.97	81.25	81.57	Four	Superior

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.

The above outcome provides feedback to the Municipal Manager on the performance of Responsibilities, the Leadership, Communication and General Behaviour of the Senior Management Team over the financial year in discussion.

SUMMARY OF RESPONSIBILITIES

OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS
DERIVED FROM PURPOSE PORTFOLIOS - **SENIOR MANAGEMENT TEAM**

N O T E S * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.

* The Purpose Portfolios of the Municipal Manager & Respective HOD of Department contains the Detailed information and Results of Objectives.

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
1	PERFORMANCE & RISK MANAGEMENT	N.A.	N.A.	N.A.	N.A.	N.A.
2	SERVICE DELIVERY	1 Complaint Sheets 2 Daily Operational Procedures 3 Water, Sanitation & Refuse Services 4 Roads & Storm water Services 5 Electrical Services 6 Infrastructure Projects 7 Health, Social Dev. & Municipal Buildings 8 SRAC, Parks, Cemeteries & Libraries 9 Safety, Security & Disaster Management	82.5%	For further details see the Purpose Portfolio of the MM & HOD Service Delivery	93.18%	For further details see the Purpose Portfolio of the MM & HOD Service Delivery
3	INSTITUTIONAL TRANSFORMATION	1 Policies 2 Fleet Management	83.5%	For further details see the Purpose	93.86%	For further details see the Purpose

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING									RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
3	INSTITUTIONAL TRANSFORMATION	level within the municipality in accordance with legislation, approved policies and planning documents of the council (Budget, IDP & SDBIP).	1	Policies	83.5%	Portfolio of the MM & HOD Corporate Services	Portfolio of the MM & HOD Service Delivery	93.86%						
			2	Fleet Management										
			3	By-Laws										
			4	Performance Management – PDLAM										
			5	Quarterly Assessments – DPLG Regulations										
			6	Implementation PRMS – Version 3										
			7	Human Resources										
			8	Information Technology										
			9	Corporate & Legal Services										
4	LOCAL ECONOMIC DEVELOPMENT	To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council (Budget, IDP & SDBIP)..	1	Local Economic, Development & Tourism (LED)	77.0%	For further details see the Purpose of the MM & HOD Development & Planning	For further details see the Purpose of the MM & HOD Service Delivery	89.33%						
			2	LED Projects										
			3	Agricultural Projects										
			4	Building Control										
			5	Housing Projects										
			6	Social Development										
5	FINANCIAL MANAGEMENT	To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents	1	Budget Reviewal	89.0%	For further details see the Purpose of the MM & Chief Financial Officer	For further details see the Purpose of the MM & HOD Service Delivery	97%						
			2	MFMA Reporting										
			3	Budget & Financial Statements										
			4	Asset Management										
			5	Income & Debtors										

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
	of the Council	6 Credit Control & Debt Collection				
		7 Indigents				
		8 Council Expenditure				
		9 Approved Grants				
		10 Supply Chain Services				
6	GOOD GOVERNANCE	1 One Stop Service Centre	83.5%	For further details see the Purpose Portfolio of the MM	91.25%	For further details see the Purpose Portfolio of the MM & HOD Service Delivery
		2 Support to the Executive Mayor				
		3 Support to the Speaker				
		4 Internal Meetings				
		5 External Meetings				
		6 Conferences				
7	LABOUR RELATIONS	1 Local Labour Forum	87.5%	For further details see the Purpose Portfolio of the MM	71.57%	For further details see the Purpose Portfolio of the MM & HOD Service Delivery
		2 Strikes & Lockouts				
		3 Workplace Forums				
8	PUBLIC PARTICIPATION	1 IDP & Budget Review	89%	For further details see the Purpose Portfolio of the MM	89.71%	For further details see the Purpose Portfolio of the MM & HOD Service Delivery
		2 Community Involvement				
		3 External Appraisals				
		4 Ward Committees				
		5 Newsletters				
AVERAGE PERFORMANCE			84.5%		90.21%	

14.4 ADMINISTRATIVE OFFICE OF THE EXECUTIVE MAYOR

TABLE 7		MSACA					
		POLITICAL ADVISOR			OFFICE AVERAGE		
		Score %	Star Rating	Perform Level	Score %	Star Rating	Perform Level
2009/2010	CYCLE 1	77.76	Four	Superior	78.02	Four	Superior
	CYCLE 2	78.95	Four	Superior	76.10	Four	Superior
	CYCLE 1	83.33	Four	Superior	86.54	Four	Superior
	CYCLE 2	84.86	Four	Superior	85.17	Four	Superior
2010/2011							

The average percentage outcomes in the above table was taken from the **MSACA Corporate Appraisal Report** that was produced by the software program.

This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.

The outcome in the above table will provide feedback to the Office Manager on whether the corrective measures that were put in place during this financial year in discussion, were effective enough to improve on the performance of the previous financial year.

TABLE 8		MSALA					
		A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2010/2011 financial year in comparison with the previous financial year.					
		Purpose Portfolio	Leadership	General Behaviour	Average	Star Rating	Service Level
2009/2010	CYCLE 1						
	Self	88.5	77.38	81.25	82.38	Four	Superior
	Superior	88.5	80.95	79.17	82.87	Four	Superior
	CYCLE 2						
2010/2011	Self	93.0	80.95	83.33	85.76	Four	Superior
	Superior	93.0	79.76	83.33	85.36	Four	Superior
	CYCLE 1						
	Self	84.0	97.62	95.83	92.48	Five	Ultimate
	Superior	95.0	85.71	87.50	89.4	Five	Ultimate
	CYCLE 2						
	Self	84.7	83.33	86.11	84.71	Four	Superior
	Superior	87.3	87.30	86.11	86.9	Four	Superior

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.

The above outcome will therefore provide feedback to the Office Manager on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

TABLE 7 Reflects an improvement in the performance outcome over two financial years, that is commendable. It is clear that the Administrative Office of the Executive Mayor has a good understanding of the systems and processes within the municipality to ensure that the unit remain functional.

TABLE 8 Reflects a performance outcome of a high standard and that the Manager is in agreement with the office personnel on their particular leadership and general behaviour during the 2010/2011 financial year.

SUMMARY OF RESPONSIBILITIES

OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - ADMINISTRATIVE OFFICE OF THE EXECUTIVE MAYOR

NOTES * The Above mentioned KPI's is according to the approved SDBIP for this particular financial year.
* The Purpose Portfolios of the Office Manager & Personnel contains the Detailed information and Results of Objectives.

NUMBER	KPA'S / KPI'S	MEASURABLE OBJECTIVE	RESULTS CYCLE 1 2010/2011 FIN. YEAR	DEVIATION	RESULTS CYCLE 2 2010/2011 FIN. YEAR	DEVIATION
1.	PERFORMANCE & RISK MANAGEMENT	The applying of tools available in order to perform your duties and measure your performance within the specific business unit / department of the municipality.	95.6 %	For further details see the purpose portfolio of the Political Advisor	96.3 %	For further details see the purpose portfolio of the Political Advisor
2.	COUNCIL/ADMIN COMMITMENT (Meetings)	Attend all respective meetings allocated to you as a Political Advisor in order to pursue your purpose within the municipality.	94 %	For further details see the purpose portfolio of the Political Advisor	90.3 %	For further details see the purpose portfolio of the Political Advisor
3.	POLITICAL COMMITMENT	Advise the Executive Mayor with political matters, decisions and ensure that the Municipality adheres to the Manifesto of the ruling party.	96.5 %	Service delivery according to the manifesto was affected due to the recession during the last cycle.	90.3 %	Service delivery according to the manifesto was affected due to the recession during the last cycle.
4.	COMMUNICATIONS	Ensures that communication with internal and external stakeholders take place effectively and efficiently and form part of the municipalities communication forum	96.8 %	Timeframe of the newsletter was not met.	94 %	Timeframe of the newsletter was not met.
AVERAGE IN PERCENTAGE			95.7 %		92.7 %	

OBJECTIVES NOT ACHIEVED – CYCLE 1 – 2010/2011			REASON FOR NOT ACHIEVEMENT	NEW SET TARGET DATE
5	OBJECTIVES NOT ACHIEVED	1	COMMUNICATION POLICY NOT YET FINALIZED	Vacant position of HOD Corporate Services put strain on the functioning of the unit <

14.5 ADMINISTRATIVE OFFICE OF THE SPEAKER

TABLE 9		MSACA						OFFICE AVERAGE	
		POLITICAL ADVISOR							
		Score %	Star Rating	Perform Level	Score %	Star Rating	Perform Level		
2009/2010	CYCLE 1	84.99	Four	Superior	83.32	Four	Superior		
	CYCLE 2	85.89	Four	Superior	84.60	Four	Superior		
2010/2011	CYCLE 1		n.a.		n.a.				
	CYCLE 2		n.a.		n.a.				
This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.									
The Office of the Speaker were managed by Employees appointed on Contractual Basis and who did not participate in the measurement of the municipal performance during the 2010/2011 financial year									

TABLE 10		MSALA						Service Level	
		A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year.							
		Purpose Portfolio	Leadership	General Behaviour	Average	Star Rating			
2009/2010	CYCLE 1								
	Self	97.0	75.0	75.0	82.33	Four	Superior		
	Superior	98.0	91.67	91.67	93.78	Five	Ultimate		
	CYCLE 2								
2010/2011	CYCLE 1								
	Self	98.0	82.48	83.33	87.94	Four	Superior		
	Superior	98.0	89.97	91.67	93.21	Five	Ultimate		
	CYCLE 2								
2009/2010	CYCLE 1								
	Self	n.a.			n.a.				
	Superior	n.a.			n.a.				
	CYCLE 2								
2010/2011	CYCLE 1								
	Self	n.a.			n.a.				
2009/2010	CYCLE 1								
	Self	n.a.			n.a.				
2010/2011	CYCLE 1								
	Self	n.a.			n.a.				
This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.									
The Office of the Speaker were managed by Employees appointed on Contractual Basis and who did not participate in the measurement of the municipal performance during the 2010/2011 financial year									

TABLE 9 Reflects the performance of the Speaker Office during the 2009/2010 Financial Year only.

TABLE 10 Reflects the performance of the Speaker Office during the 2009/2010 Financial year only.

14.6 DEPARTMENT OF SERVICE DELIVERY

TABLE 11		MSACA					
		HEAD OF DEPARTMENT			DEPARTMENTAL AVERAGE		
		Score %	Star Rating	Perform Level	Score %	Star Rating	Perform Level
2009/2010	CYCLE 1	75.58	Four	Superior	67.22	Three	Satisfactory
	CYCLE 2	85.19	Four	Superior	68.70	Three	Satisfactory
2010/2011	CYCLE 1	77.28	Four	Superior	71.58	Three	Satisfactory
	CYCLE 2	86.20	Four	Superior	76.79	Four	Superior

The average percentage outcomes in the above table was taken from the **MSACA Corporate Appraisal Reports** that was produced by the software program.

This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.

The outcome in the above table provides feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

TABLE 11 Reflects an improvement in the performance outcome over the 2010/2011 financial year, that is commendable and the staff component of the Department of Service Delivery was more in agreement with the Head of Department during the second cycle, in terms of systems, processes and the overall functionality of the department.

TABLE 12 Reflects a performance outcome of a good standard with an increase during the second cycle of the 2010/2011 financial year in terms of the Leadership, General Behaviour and Communication within the Department of Service Delivery of the financial year in discussion.

TABLE 12		MSALA					
		A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2010/2011 financial year in comparison with the previous financial year.					
		Purpose Portfolio	Leadership	General Behaviour	Average	Star Rating	Service Level
2009/2010	CYCLE 1						
	Self	74.1	66.95	74.02	71.69	Three	Satisfactory
	Superior	76.6	69.89	75.49	73.99	Three	Satisfactory
2010/2011	CYCLE 2						
	Self	82.9	75.74	75.46	78.03	Four	Superior
	Superior	82.5	71.88	73.09	75.82	Four	Superior
2010/2011	CYCLE 1						
	Self	81.8	79.92	78.80	80.17	Four	Superior
	Superior	78.6	73.29	72.46	74.78	Four	Superior
2010/2011	CYCLE 2						
	Self	87.1	82.61	83.79	84.5	Four	Superior
	Superior	84.8	77.07	80.43	80.77	Four	Superior

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.

The above outcome provides feedback to the Head of the Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

SUMMARY OF RESPONSIBILITIES

OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF SERVICE DELIVERY

NOTES * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
 * The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
1	PERFORMANCE & RISK MANAGEMENT	N.A.	N.A.	N.A.	N.A.	N.A.
2	SERVICE DELIVERY	<div>1 Infrastructure Contracts</div> <div>2 Council Buildings</div> <div>3 Council Fleet</div> <div>4 Electrical Network</div> <div>5 Water and Sewer Network</div> <div>6 Waste Management</div> <div>7 Roads and Stormwater</div>	75.11 %	For further details see the Purpose Portfolio of the HOD SD	97 %	For further details see the Purpose Portfolio of the HOD SD
3	INSTITUTIONAL TRANSFORMATION	<div>1 Performance Management System</div> <div>2</div> <div>3</div>	97.5 %	For further details see the Purpose Portfolio of the HOD SD	100 %	For further details see the Purpose Portfolio of the HOD SD
4	LOCAL ECONOMIC DEVELOPMENT	<div>1 Labour Intensive Capital Projects</div> <div>2</div>	97.5 %	For further details see the Purpose Portfolio of the HOD SD	100 %	For further details see the Purpose Portfolio of the HOD SD

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING			RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)		
5	FINANCIAL MANAGEMENT	3	scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council (Budget, IDP & SDBIP)..	1	Municipal Financial Management	97.5 %	For further details see the Purpose Portfolio of the HOD SD	100 %	For further details see the Purpose Portfolio of the HOD SD	
				2						Budget & IDP
				3						
				1						Complaints
6	GOOD GOVERNANCE	3	The assurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Pele principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council.	2	Fleet Management	97.5 %	For further details see the Purpose Portfolio of the HOD SD	94 %	For further details see the Purpose Portfolio of the HOD SD	
				1						Complaints
				3						Meetings
				1						Unions
7	LABOUR RELATIONS	3	The ability to provide effective and efficient communication and to ensure sound and sustainable relations between management, labour and the unions in accordance with all legislation, the approved policies and planning documents of council.	2		97.5 %	For further details see the Purpose Portfolio of the HOD SD	97 %	For further details see the Purpose Portfolio of the HOD SD	
				1						Unions
				3						
				1						IDP Processes
8	PUBLIC PARTICIPATION	3	The assurance of public participation with short term & long term planning processes of the council including the participation in the measurement of the	2	Meetings	97.5 %	For further details see the Purpose Portfolio of the HOD SD	100 %	For further details see the Purpose Portfolio of the HOD SD	
				1						IDP Processes
				3						
				2						Meetings

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
	performance of the municipality over a particular financial year in accordance with policies and planning documents.	4				
AVERAGE PERFORMANCE			92 %		95 %	

N O T E S

- * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
- * The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP

OBJECTIVES NOT ACHIEVED – CYCLE 1 – 2010/2011			REASON FOR NOT ACHIEVEMENT	NEW SET TARGET DATE
7	OBJECTIVES NOT ACHIEVED	1	None	
		2		

14.7 DEPARTMENT OF COMMUNITY SERVICES

		MSACA						
		A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2010/2011 financial year against the outcome of the previous financial year.						
		HEAD OF DEPARTMENT				DEPARTMENTAL AVERAGE		
		Score %	Star Rating	Score %	Star Rating	Score %	Service Levels	
2009/2010	CYCLE 1	72.38	Three	Satisfactory	64.75	Three	Satisfactory	
	CYCLE 2	79.29	Four	Superior	69.92	Three	Satisfactory	
2010/2011	CYCLE 1	80.48	Four	Superior	73.14	Three	Satisfactory	
	CYCLE 2	79.28	Four	Superior	70.80	Three	Satisfactory	

The average percentage outcomes in the above table was taken from the **MSACA Corporate Appraisal Reports** that was produced by the software program.

This table reflects an outcome around the **availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

TABLE 13 Reflects the performance over the 2010/2011 financial year have increased, although the staff component of the Department of Community Services are not in agreement with the Head of Department with regards to systems and processes and the overall functionality of the department.

TABLE 14 Reflects a performance outcome of an acceptable standard with an overall increase in communication, leadership and general behaviour within the department over the 2010/2011 financial year, that is commendable.

TABLE 14		MSALA					
		A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2010/2011 financial year in comparison with the previous financial year.					
		Purpose Portfolio	Leadership	General Behaviour	Average	Star Rating	Service Level
2009/2010	CYCLE 1						
	Self	87.3	74.23	73.59	78.37	Four	Superior
	Superior	87.3	70.43	71.51	76.41	Four	Superior
2010/2011	CYCLE 2						
	Self	87.3	75.75	76.59	79.88	Four	Superior
	Superior	86.5	74.31	75.06	78.62	Four	Superior
2010/2011	CYCLE 1						
	Self	88.5	76.40	77.40	80.77	Four	Superior
	Superior	85.9	75.43	76.07	79.13	Four	Superior
2010/2011	CYCLE 2						
	Self	91.1	75.79	78.40	81.76	Four	Superior
	Superior	89.2	77.69	85.77	84.22	Four	Superior

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.

The above outcome will therefore provide feedback to the Head of the Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

SUMMARY OF RESPONSIBILITIES

OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF COMMUNITY SERVICES

NOTES

- * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
- * The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
1	PERFORMANCE & RISK MANAGEMENT	N.A.	N.A.	N.A.	N.A.	N.A.
2	SERVICE DELIVERY	<div>1 Municipal Health services</div> <div>2 Provision of Social Development</div> <div>3 Comprehensive Primary Health Care</div> <div>4 Safety and Security</div> <div>5 Sports Recreation Arts and culture, Park and Cemeteries</div> <div>6 Municipal Buildings</div> <div>7 Complaints sheets</div>	94 %	For further details see the Purpose Portfolio of the & HOD Community Service	93 %	For further details see the Purpose Portfolio of the & HOD Community Services
3	INSTITUTIONAL TRANSFORMATION	To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council (Budget, IDP & SDBIP).	97 %	For further details see the Purpose Portfolio of the & HOD Community Services	89 %	For further details see the Purpose Portfolio of the & HOD Community Services
4	LOCAL ECONOMIC DEVELOPMENT	To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that	95 %	For further details see the Purpose Portfolio of	95 %	For further details see the Purpose Portfolio of

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR		THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING		RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
4	LOCAL ECONOMIC DEVELOPMENT	includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council (Budget, IDP & SDBIP)..	1	Capacitation of the unemployed through temporal appointments	95 %	the & HOD Community Services	95 %	the & HOD Community Services
			2					
			3					
			4					
5	FINANCIAL MANAGEMENT	To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents of the Council	1	Budget and IDP	97 %	For further details see the Purpose Portfolio of the & HOD Community Services	95 %	For further details see the Purpose Portfolio of the & HOD Community Services
			2					
			3					
			4					
			5					
6	GOOD GOVERNANCE	The ensurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Pele principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council.	1	Public NGO's and CBO's	97 %	For further details see the Purpose Portfolio of the & HOD Community Services	95 %	For further details see the Purpose Portfolio of the & HOD Community Services
			2					
			3					
			4					
7	LABOUR RELATIONS	The ability to provide effective and efficient communication and to ensure sound and sustainable relations between management, labour and the unions in accordance with all legislation, the approved policies and planning documents of council.	1	Code of conduct for staff embers	73 %	For further details see the Purpose Portfolio of the & HOD Community Services	70 %	For further details see the Purpose Portfolio of the & HOD Community Services
			2					
			3					
8	PUBLIC PARTICIPATION	The assurance of public participation with short term	1	Oversee implementation of programs .	85 %	For further details see	80 %	For further details see

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING			RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
8	PUBLIC PARTICIPATION & long term planning processes of the council including the participation in the measurement of the performance of the municipality over a particular financial year in accordance with policies and planning documents.	1	Oversee implementation of programs .		85 %	the Purpose Portfolio of the & HOD Community Services	80 %	the Purpose Portfolio of the & HOD Community Services
		2						
		3						
		AVERAGE PERFORMANCE			91.5 %		88 %	

N O T E S * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
 * The Purpose Portfolios of the Municipal Manager & Respective HOD of Department contains the Detailed information and Results of Objectives.

OBJECTIVES NOT ACHIEVED – CYCLE 1 – 2010/2011			REASON FOR NOT ACHIEVEMENT	NEW SET TARGET DATE
9	OBJECTIVES NOT ACHIEVED	1	N O N E	

14.8 DEPARTMENT OF DEVELOPMENT & PLANNING

TABLE 15		MSACA							
		HEAD OF DEPARTMENT				DEPARTMENTAL AVERAGE			
		Score %	Star Rating	Score %	Star Rating	Score %	Star Rating	Score %	Service Levels
2009/2010	CYCLE 1	76.61	Four	Superior	70.45	Three	Satisfactory		
	CYCLE 2	78.32	Four	Superior	70.20	Three	Satisfactory		
2010/2011	CYCLE 1	78.32	Four	Superior	70.39	Three	Satisfactory		
	CYCLE 2	83.32	Four	Superior	72.44	Three	Satisfactory		

The average percentage outcomes in the above table was taken from the **MSACA Corporate Appraisal Reports** that was produced by the software program.

This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.

The outcome in the above table provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

TABLE 15 Reflects that the performance over the 2010/2011 financial year have remained fairly consistent, although the staff component of the Department of Development & Planning are not in agreement with the Head of Department with regards to systems and processes and the overall functionality of the department.

TABLE 16 Reflects a performance outcome of an acceptable standard with a slight increase in leadership and general behaviour within the department over the second cycle of the 2010/2011 financial year, that is commendable.

TABLE 16		MSALA						
		A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2010/2011 financial year in comparison with the previous financial year.						
		Purpose Portfolio	Leader-ship	General Behaviour	Ave- rage	Star Rating	Service Level	
2009/2010	CYCLE 1							
	Self	82.6	71.43	74.75	76.26	Four	Superior	
	Superior	81.5	70.17	73.53	75.07	Four	Superior	
	CYCLE 2							
	Self	83.9	74.60	77.78	78.76	Four	Superior	
	Superior	82.4	70.76	72.92	75.36	Four	Superior	
	CYCLE 1							
	Self	84.2	72.62	74.31	77.04	Four	Superior	
2010/2011	Superior	82.2	69.96	71.06	74.41	Three	Satisfactory	
	CYCLE 2							
	Self	86.6	76.19	79.17	80.65	Four	Superior	
	Superior	85.5	72.56	75.88	77.98	Four	Superior	

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.

The above outcome provide feedback to the Head of Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

SUMMARY OF RESPONSIBILITIES

OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF DEVELOPMENT & PLANNING

NOTES

- * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
- * The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
1	PERFORMANCE & RISK MANAGEMENT Ensure that the deadlines and time frames according to the Annual Year Planner for this particular financial year are adhered to.	N.A.	N.A.	N.A.	N.A.	N.A.
2	SERVICE DELIVERY The provision of basic needs and services to the citizens of the municipality in accordance with legislation, the approved policies and planning documents of the Council (Budget, IDP & SDBIP)	<div>1 Housing delivery</div> <div>2 Prevent Land Invasion</div> <div>3 Corridor and nodal study</div> <div>4 Building Control</div> <div>5 Removal of alien vegetation plants</div>	84 %	For further details see the Purpose Portfolio of the & HOD Development & Planning	81 %	For further details see the Purpose Portfolio of the & HOD Development & Planning
3	INSTITUTIONAL TRANSFORMATION To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council (Budget, IDP & SDBIP).	<div>1 Solve Workplace Problems</div> <div>2 Weekly Activity Plans and Reports</div> <div>3 PRMS</div>	90 %	For further details see the Purpose Portfolio of the & HOD Development & Planning	88 %	For further details see the Purpose Portfolio of the & HOD Development & Planning
4	LOCAL ECONOMIC DEVELOPMENT To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council (Budget, IDP & SDBIP)..	<div>1 Provision of stalls for informal traders in Heidelberg CBD</div> <div>2 LED/Small farm development</div> <div>3 Removal of alien plants</div> <div>4 Industrial Township Establishment: Showground</div> <div>5 Zone of opportunity</div>	95 %	For further details see the Purpose Portfolio of the MM & HOD Development & Planning	98 %	For further details see the Purpose Portfolio of the & HOD Development & Planning

52	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING				RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
		1	2	3	4				
5	FINANCIAL MANAGEMENT	To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents of the Council	Budget	Payment of Service Providers	Asset management	Resource Management	For further details see the Purpose Portfolio of the & HOD Development & Planning	92 %	For further details see the Purpose Portfolio of the & HOD Development & Planning
			1	2	3	4			
			1	2	3	4			
			1	2	3	4			
6	GOOD GOVERNANCE	The assurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Pele principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council.	Integrated Development Planning	Community Based Planning CBP Pilot			For further details see the Purpose Portfolio of the & HOD Development & Planning	98 %	For further details see the Purpose Portfolio of the & HOD Development & Planning
			1	2					
7	LABOUR RELATIONS	The ability to provide effective and efficient communication and to ensure sound and sustainable relations between management, labour and the unions in accordance with all legislation, the approved policies and planning documents of council.	Respond promptly to Labour Relation issues	Work closely with unions to address labour related issues			For further details see the Purpose Portfolio of the & HOD Development & Planning	90 %	For further details see the Purpose Portfolio of the & HOD Development & Planning
			1	2					
8	PUBLIC PARTICIPATION	The assurance of public participation with short term & long term planning processes of the council including the participation in the measurement of the performance of the municipality over a particular financial year in accordance with policies and planning documents.	Ensure community participation in the interest of participative democracy	Consult the community through appropriate mechanisms, processes and procedures			For further details see the Purpose Portfolio of the & HOD Development & Planning	93 %	For further details see the Purpose Portfolio of the & HOD Development & Planning
			1	2					

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
		AVRAGE PERFROMANCE	91.5 %		91 %	

N O T E S * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
 * The Purpose Portfolios of the Municipal Manager & Respective HOD of Department contains the Detailed information and Results of Objectives.

OBJECTIVES NOT ACHIEVED – CYCLE 1 – 2010/2011			REASON FOR NOT ACHIEVEMENT	NEW SET TARGET DATE
9	OBJECTIVES NOT ACHIEVED	1	N O N E	
		2		

14.9 DEPARTMENT OF CORPORATE SERVICES

TABLE 17		MSACA					
		HEAD OF DEPARTMENT			DEPARTMENTAL AVERAGE		
		Score %	Star Rating	Score %	Star Rating	Score %	Service Levels
	CYCLE 1	77.10	Four	Superior	71.42	Three	Satisfactory
	CYCLE 2	83.32	Four	Superior	73.16	Three	Satisfactory
	CYCLE 1	76.76	Four	Superior	74.49	Three	Satisfactory
	CYCLE 2	76.76	Four	Superior	80.23	Four	Superior
		<p>The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Reports that was produced by the software program.</p> <p>This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.</p> <p>The outcome in the above table provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.</p>					

TABLE 17 Reflects that the performance over the 2010/2011 financial year have improved. Taking into consideration that this department were functional with rotating Acting Executive Managers, it is commendable.

TABLE 18 Reflects a performance outcome of an acceptable standard with an overall increase in communication, leadership and general behaviour within the department over the 2010/2011 financial year, that is commendable.

TABLE 18		MSALA					
		Purpose Portfolio	Leadership	General Behaviour	Average	Star Rating	Service Level
	CYCLE 1	89.3	78.44	84.26	84.0	Four	Superior
	Self	88.4	75.93	78.24	80.86	Four	Superior
	CYCLE 2	90.2	79.69	84.31	84.73	Four	Superior
	Self	88.7	75.63	79.90	81.41	Four	Superior
	CYCLE 1	87.3	76.75	81.86	81.97	Four	Superior
	Self	74.1	63.87	67.75	68.54	Three	Satisfactory
	CYCLE 2	89.9	80.11	80.88	83.63	Four	Superior
	Self	87.8	77.59	78.43	81.27	Four	Superior
		<p>The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.</p> <p>This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.</p> <p>The above outcome provide feedback to the Head of Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.</p>					

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.

The above outcome provide feedback to the Head of Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

SUMMARY OF RESPONSIBILITIES

OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF CORPORATE SERVICES

NOTES * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
* The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP

NUMBER	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2	DEVIATIONS (if any)
1	PERFORMANCE & RISK MANAGEMENT	N.A.	N.A.	N.A.	N.A.	N.A.
2	SERVICE DELIVERY	1 Back-up restore procedure 2 Maintenance Calls 3 Local and Wide area network 4 Accident committee 5 Disciplinary Hearings	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services
3	INSTITUTIONAL TRANSFORMATION	1 Distribution of Agenda's & Minutes 2 Council Meetings 3 Mayoral Committee 4 Laws & Policies 5 By Laws	84.30 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services	95 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services

NUMBER	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING		RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2	DEVIATIONS (if any)
4	LOCAL ECONOMIC DEVELOPMENT	1	Service Delivery Budget Implementation Plan	55.00 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services
		2	Procurement process				
		3					
		4					
5	FINANCIAL MANAGEMENT	1	Delegated Powers	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services
		2	Audit Committee Meetings				
		3	S 56 - Valuations Appeal Board: MPRA 6, 2004				
		4					
		5					
6	GOOD GOVERNANCE	1	Delegated powers	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services
		2	Audit Committee Meetings				
		3	Ward Committees				
		4	IDP Targets				
		5	Complaints from the Community				
		6	Strategy				

NUMBER	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2	DEVIATIONS (if any)
		7 Section 80 committees				
7	LABOUR RELATIONS	1 Sub Local Labour Forum	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services
		2 Local Labour Forum				
		3 Organisational Rights Agreement				
		4 Collective Agreement				
		5 Policies				
8	PUBLIC PARTICIPATION	1 Ward Committees	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services	100 %	For further details see the Purpose Portfolio of the Acting Executive Manager : Corporate Services
		2 Ward Meetings				
		3 Community Development Worker				
		4 Policies				
		5				
6						
7						
AVERAGE PERFORMANCE			87.86%		99.34%	

NOTES * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
 * The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP

OBJECTIVES NOT ACHIEVED – CYCLE 1 – 2010/2011			REASON FOR NOT ACHIEVEMENT	NEW SET TARGET DATE
9	OBJECTIVES	1 By-laws	Budget constraints	31/07/2011
	NOT ACHIEVED			

14.10 DEPARTMENT OF CHIEF FINANCIAL SERVICES

TABLE 19		MSACA					
		HEAD OF DEPARTMENT			DEPARTMENTAL AVERAGE		
		Score %	Star Rating	Score %	Star Rating	Score %	Service Levels
2009/2010	CYCLE 1	76.76	Four	Superior	72.32	Three	Satisfactory
	CYCLE 2	75.25	Four	Superior	73.26	Three	Satisfactory
2010/2011	CYCLE 1	69.91	Three	Satisfactory	76.60	Four	Superior
	CYCLE 2	80.48	Four	Superior	66.94	Three	Satisfactory

The average percentage outcomes in the above table was taken from the **MSACA Corporate Appraisal Reports** that was produced by the software program.

This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.

The outcome in the above table will provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

TABLE 19 Reflects that the overall performance over the second cycle of the 2010/2011 financial year have decreased and the staff component and the Chief Financial Officer are in disagreement with one another over the systems and processes and the overall functionality of the department for the financial year in discussion.

TABLE 20 Reflects a decrease in the performance outcome of communication, leadership and general behaviour within the department over the 2010/2011 financial year have decreased. The appointment of the Chief Financial Officer in the second cycle of the 2010/2011 financial year will bring back stability within the department.

TABLE 20	MSALA					
	A demonstration of the Goals, KPA's & Objectives (Purpose Portfolio) as well as the effective conduct of the functions of Leadership and general behaviour over the 2010/2011 financial year in comparison with the previous financial year.					
	Purpose Portfolio	Leadership	General Behaviour	Average	Star Rating	Service Level
2009/2010	CYCLE 1 Self	91.5	75.00	81.77	Four	Superior
	Superior	90.8	73.61	79.92	Four	Superior
2010/2011	CYCLE 1 Self	87.8	75.94	80.16	Four	Superior
	Superior	87.1	72.17	77.42	Four	Superior
2010/2011	CYCLE 1 Self	80.2	75.16	76.00	Four	Superior
	Superior	80.1	74.19	75.00	Four	Superior
2010/2011	CYCLE 1 Self	72.3	67.81	68.66	Three	Satisfactory
	Superior	72.8	66.67	68.95	Three	Satisfactory

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.

The above outcome will therefore provide feedback to the Head of Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

SUMMARY OF RESPONSIBILITIES

OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF FINANCIAL SERVICES

NOTES

- * The Above mentioned KPI's is according to the approved SDBIP for this particular financial year.
 * The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
1	PERFORMANCE & RISK MANAGEMENT Ensure that the deadlines and time frames according to the Annual Year Planner for this particular financial year are adhered to.	N.A.	N.A.	N.A.	N.A.	N.A.
2	SERVICE DELIVERY The provision of basic needs and services to the citizens of the municipality in accordance with legislation, the approved policies and planning documents of the Council (Budget, IDP & SDBIP)	1 Balance service statistics 2 Check and balance bulk electricity purchases and distribution losses 3 Check and balance bulk water purchases and distribution losses	95 %	For further details see the Purpose Portfolio of the CFO	95 %	For further details see the Purpose Portfolio of the CFO
3	INSTITUTIONAL TRANSFORMATION To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council (Budget, IDP & SDBIP).	1 Review policies for next cycle 2010	80 %	For further details see the Purpose Portfolio of the CFO	80 %	For further details see the Purpose Portfolio of the CFO
4	LOCAL ECONOMIC DEVELOPMENT To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council (Budget, IDP & SDBIP)..	1 Compile tariff for services rendered	90 %	For further details see the Purpose Portfolio of the CFO	90 %	For further details see the Purpose Portfolio of the CFO

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
5	FINANCIAL MANAGEMENT	1 Vat return – 201	98 %	For further details see the Purpose Portfolio of the CFO	98 %	For further details see the Purpose Portfolio of the CFO
		2 Reconcile Vat vote to general ledger				
		3 Invest surplus money				
		4 Review investment				
		5 Reconcile investments				
6	GOOD GOVERNANCE	1 Create SOP for revenue procedures	95 %	For further details see the Purpose Portfolio of the CFO	95 %	For further details see the Purpose Portfolio of the CFO
		2 System changes to E-Venus				
		3 Maintain revenue system				
		4 Maintain Pre- paid system				
7	LABOUR RELATIONS	1 Implantation Batho Pele Principles	85 %	For further details see the Purpose Portfolio of the CFO	85 %	For further details see the Purpose Portfolio of the CFO
		2 Training of staff				
		3				
		4				
		5				
		6				
8	PUBLIC PARTICIPATION	1 News letter	85 %	For further details see the Purpose Portfolio of the CFO	85 %	For further details see the Purpose Portfolio of the CFO
		2 Budget & IDP process				
		3				
		4				

№	GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2010/2011 FINANCIAL YEAR	THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING	RESULTS ACHIEVED CYCLE 1	DEVIATIONS (if any)	RESULTS ACHIEVED CYCLE 2	DEVIATIONS (if any)
	financial year in accordance with policies and planning documents.	5				
	AVERAGE PERFORMANCE 90 %					90 %

N O T E S * The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.
 * The Purpose Portfolios of the Municipal Manager & Respective HOD of Department contains the Detailed information and Results of Objectives.

OBJECTIVES NOT ACHIEVED – CYCLE 1 – 2010/2011			REASON FOR NOT ACHIEVEMENT	NEW SET TARGET DATE
9	OBJECTIVES NOT ACHIEVED	1	None	
		2		

15. OUTCOME : MANAGEMENT & RESPONSIBILITIES (Both Hard Issues & Soft Issues)

ANNUAL MUNICIPAL PERFORMANCE OUTCOME RESPONSIBILITIES & MANAGEMENT 2010/2011 FINANCIAL YEAR					
UNIT / DEPARTMENT		RESPONSIBILITIES	OVERALL MANAGEMENT	AVERAGE %	OUTCOME FOR THE 2010/2011 FINANCIAL YEAR = 80.54
MAYORAL COMMITTEE This measurement is relative to the Executive Mayor and the four members of the Mayoral Committee COUNCIL This measurement is relative to the Speaker, Ward & PR Councillors SNR MANAGEMENT TEAM This measurement is relative to the Section 56 & 57 Employees that reflects the Senior Management Team. ADMINISTRATIVE OFFICE : EXECUTIVE MAYOR		S D B I P OBJECTIVES DERIVED FROM PLANNING DOCUMENTS	MSACA THE UNDERSTANDING OF SYSTEMS, POLICIES, PROCESSES & LEGISLATION	MSALA LEADERSHIP SKILLS, ATTITUDE & GENERAL BEHAVIOR TOWARDS RESPONSIBILITIES	
		83.64	82.14	87.2	84.33
		91.2	71.13	77.5	79.94
		86.9	78.73	82.64	82.76
		91.15	85.86	88.37	88.46

Mayor.					
SERVICE DELIVERY Project, Electricity, Fleet & Roads & Storm Water	81.7	74.19	80.06	78.65	
COMMUNITY SERVICES Health, Fire, Traffic, Sport, Recreation & Arts & Culture and Libraries	87.55	71.97	81.47	80.33	
DEVELOPMENT & PLANNING Housing & Local Economic Development & LED Projects.	83.85	71.42	77.52	77.60	
CORPORATE SERVICES Legal, IT & HR Services including the Administrative Support and preparation and distribution of Agendas & Minutes of Council	80.95	77.36	78.85	79.05	
FINANCIAL SERVICES Budget, Income & Expenditure, Debtors & Creditors, Insurance as well as Supply Chain Services	76.45	71.77	73.02	73.75	
AVERAGE %	84.82	76.06	80.73	80.54	
STAR RATING	➡➡➡➡➡➡➡➡	➡➡➡➡➡➡➡➡	➡➡➡➡➡➡➡➡	➡➡➡➡➡➡➡➡	

16. OUTCOME : GENERAL BEHAVIOUR & ATTITUDES (Internal Appraisal System)

The outcome proves that an opinion exists within the municipality that all the sections can improve on their performance. If this is true, there is a clear lack in leadership and management within the municipality. It is therefore needed that the MMC Councillors and Management (Section 56 & 57 Employees) take accountability for their respective portfolios and/or administrative departments.

ANNUAL MUNICIPAL PERFORMANCE OUTCOME			
GENERAL BEHAVIOUR & ATTITUDES			
2010/2011 FINANCIAL YEAR			
OUTCOME OF GENERAL BEHAVIOUR & HELPFUL ATTITUDES		2009/2010 AVERAGE	2010/2011 AVERAGE
POLITICAL PILLAR	MAYORAL COMMITTEE	4.0	4.2
	SPEAKER, WARD & PR COUNCILLORS	3.0	3.6
	SENIOR MANAGEMENT TEAM	4.1	3.9
ADMINISTRATIVE PILLAR	ADMINISTRATIVE OFFICE : EXECUTIVE MAYOR	3.9	4.3
	ADMINISTRATIVE OFFICE : SPEAKER	4.0	n.a.
	DEPARTMENT SERVICE DELIVERY	3.62	3.5
	DEPARTMENT COMMUNITY SERVICES	4.00	3.7
	DEPARTMENT DEVELOPMENT & PLANNING	3.72	3.8
	DEPARTMENT CORPORAE SERVICES	3.62	3.7
	DEPARTMENT FINANCIAL SERVICES	3.6	3.4
AVERAGE		3.76	3.79

17. OUTCOME : COMMUNITY PARTICIPATION (External Appraisal System)

BACKGROUND

In order for the Lesedi Local Municipality to ensure complete the 360° measurement of the municipal performance, the Lesedi Local Municipality allow feedback and/or inputs from the local communities, business men and service providers on the municipal performance with regards to service delivery as a whole and the implementation of batho pele principles. For that purpose two different questionnaires (*External Appraisals*) were developed for both the **Political Pillar** (*with the main focus on the performance of councillors & in particular the different wards*) and the **Administrative Pillar** (*with the main focus on the Administration & Employee*) of the council. These questionnaires (*External Appraisal Forms*) consists of information by which the community can provide feedback to council on how they observe and experience the services of the council within the category of - **basic services, communication, leadership, infrastructure, customer care** and the **cleanliness of the ward- & town areas**, the implementation of **batho pele principles** and many more. With these questions a rating between 1–5 can be given for the way in which the community perceive the services rendered by the municipality. The rating scale is based on the following :-

RATNG	CLASSIFICATION	R I S K	WEIGHT	STARS
1	Unacceptable Performance	High	40 points	★
2	Poor Performance			★★
3	Acceptable Standard	Medium	40 points	★★★
4	Good Performance			★★★★
5	Excellent Performance	Low	20 points	★★★★★



The External Appraisal Forms (*questionnaires*) were made available on the website, at all pay points of the municipality, as well as all the libraries and clinics throughout the Lesedi municipal area. A detailed Report on the External Appraisal Survey was tabled to council during August 2011 under Recommendation Number **LC.MC 391/08/2011**.

In the light of this particular survey being exercised over the past financial year and considering the local municipal elections that was during the 2010/2011 financial year, it is clear that the communities were more aware of the responsibilities of councillors and the municipal offices as more members of the community participated with the External Appraisal Surveys.

Over the past two financial years three surveys were done and the concerns of the community, remains exactly the same. Once again the concerns raised by the Lesedi were around customer care (*batho pele principles*) and mostly the following :-

- (i) *The highest concern amongst the participants seems to be the overall neatness of town-areas, parks areas, open spaces and sidewalks;*
- (ii) *The availability of Sports Grounds & Sport Facilities; and*
- (iii) *The condition of roads in wards as well as in town-areas of the Lesedi Local Municipality.*

18. EXECUTIVE SUMMARY

COMPARATIVE PERFORMANCE OUTCOME OVER TWO FINANCIAL YEARS 2010/2011 Financial Year in comparison with the 2009/2010 Financial Year							
UNIT / DEPARTMENT	APPLICABLE CYCLE	SDBIP OBJECTIVES DERIVED FROM PLANNING DOCUMENTS	MSACA THE UNDERSTANDING OF SYSTEMS, PROCESSES & LEGISLATION	MSALA LEADERSHIP SKILLS, ATTITUDE & GENERAL BEHAVIOR TOWARDS RESPONSIBILITIES	AVERAGE %	AVERAGE STAR RATING	ANNUAL PERFORMANCE OUTCOME
EXECUTIVE MAYOR AND MMC COUNCILLORS	2009 / 2010	87.57	91.95	86.99	88.84	➤➤➤➤➤➤➤➤ ➤➤	81.28 FOR 2009/2010 
	2020/2011	83.64	82.14	87.2	84.33	➤➤➤➤➤➤➤➤ ➤➤➤➤➤➤➤➤	
SPEAKER, WARD & PR COUNCILLORS	2009 / 2010	77.8	68.87	75.68	74.12	➤➤➤➤➤➤➤➤	
	2020/2011	91.2	71.13	77.5	79.94	➤➤➤➤➤➤➤➤	
SENIOR MANAGEMENT TEAM	2009 / 2010	91.35	79.04	80.34	83.58	➤➤➤➤➤➤➤➤	
	2020/2011	86.9	78.73	82.64	82.76	➤➤➤➤➤➤➤➤	
ADMINISTRATIVE OFFICE OF THE MAYOR	2009 / 2010	95.5	77.06	83.51	85.36	➤➤➤➤➤➤➤➤	
	2020/2011	91.15	85.86	88.37	88.46	➤➤➤➤➤➤➤➤ ➤➤	
ADMINISTRATIVE OFFICE OF THE SPEAKER	2009 / 2010	91.3	83.96	89.09	88.12	➤➤➤➤➤➤➤➤ ➤➤	
	2020/2011	n.a.	n.a.	n.a.	n.a.	n.a.	
DEPARTMENT SERVICE DELIVERY	2009 / 2010	92.7	67.96	74.87	78.51	➤➤➤➤➤➤➤➤	80.54 FOR 2010/2011 
	2020/2011	81.7	74.19	80.6	78.65	➤➤➤➤➤➤➤➤	
DEPARTMENT COMMUNITY SERVICES	2009 / 2010	86.74	67.34	77.76	77.28	➤➤➤➤➤➤➤➤	
	2020/2011	87.55	71.97	81.47	80.33	➤➤➤➤➤➤➤➤	
DEPARTMENT DEVELOPMENT & PLANNING	2009 / 2010	86.66	70.33	76.48	77.82	➤➤➤➤➤➤➤➤	
	2020/2011	83.85	71.42	77.52	77.60	➤➤➤➤➤➤➤➤	
DEPARTMENT CORPORATE SERVICES	2009 / 2010	86.91	72.29	82.54	80.58	➤➤➤➤➤➤➤➤	
	2020/2011	80.95	77.36	78.85	79.05	➤➤➤➤➤➤➤➤	

DEPARTMENT FINANCIAL SERVICES	2009 / 2010	89.0	72.79	79.39	80.39	➡➡➡➡➡➡➡➡
	2020/2011	76.45	71.77	73.03	73.75	➡➡➡➡➡➡➡➡

19. CONCLUSION

1. The Lesedi Local Municipality have slightly DECREASED in performance over the **2010/2011 Financial Year** with an outcome of **80.54%** in comparison with an outcome of **81.28%** of the 2009/2010 Financial Year, but have remained within a **Four-Star-Rating**.
2. **CHALLENGES AS IDENTIFIED IN THE PERFORMANCE OUTCOME (Both Hard Issues & Soft Issues)**
Most of the challenges identified in this report was communication, general behaviour and leadership that must receive attention from the Political Pillar under the leadership of the Executive Mayor and the Spekaer as well as the heads of the Departments under the leadership of the Municipal Manager. Measurable objectives against set targets must be addressed by means of effective and efficient communication and performance review discussions. It is important that the IDP, Budget & SDBIP be frequently communicated throughout the council to assist all stakeholders to remain informed and understand the chain of responsibility within the Lesedi Local Municipality.

3. JOINT SUMMARY ON COMMUNITY PARTICIPATION (External Appraisal System)

The issues raised by the community and the areas of concern that were highlighted, does not necessarily need an extra budget, most of these complaints can be addressed under maintenance of assets. The council's operational budget makes provision for the matters i.e. maintenance of streets, cleaning of parks, side walks, sports grounds and open spaces. The Executive Managers of the Council must ensure that measurable objectives are recorded in the purpose portfolios of accountable and responsible employees to improve on the much needed service delivery as required by the communities.

The outcome of the survey proves that there is an outcry for better communication between the Community and the Lesedi Local Municipality. This includes Ward Councillors, Ward Committees as well as the Administrative Pillar with all departments.

The issues as listed in the report should form part of the purpose portfolios of all Heads of Departments and ward councillors and the council will be obliged to monitor these issues quarterly to ensure an improvement.

The challenges of local government is clear and lies within the ability of the municipality to address all the challenges. If all of us work together as a team, we will ensure a positive change.

As Municipal Manager of the Lesedi Local Municipality, I am sure that if each Head of Department take full responsibility for their departments, and take their staff along with them, this will ensure that employees understand their responsibilities and believe in themselves. With a positive attitude, this municipality can grow from strength to strength.

ZJ Majola

ACTING MUNICIPAL MANAGER

Date: 31 August 2011

LESEDI LOCAL MUNICIPALITY SENIOR MANAGEMENT



Zwelibanzi Jacob Majola
Acting Municipal Manager
Executive Manager: Development & Planning



Vuyo Ndzinyana
CFO



Cynthia Mokoena
Executive Manager:
Community Services



Hennie Coetsee
Executive Manager:
Service Delivery



VACANT
Executive Manager:
Management and Support Services



COUNCILLORS OF LESEDI LOCAL MUNICIPALITY

MEMBERS OF THE MAYORAL COMMITTEE



Cllr ST Makhubu
FINANCE &
ADMINISTRATION



Cllr SM Sibeko
SERVICE DELIVERY



Cllr MNP Nkosi
COMMUNITY
SERVICE



Cllr TB Tsheku
DEVELOPMENT &
PLANNING
WARD 5 - ANC

PR - COUNCILLORS



Cllr FE Twala
PR - ANC



Cllr JJ Tshabalala
PR - ANC



Cllr RCA EBERWEIN
PR - ANC



Cllr AV MANDONSELA
PR - ANC



Cllr M Mulder
PR - DA



Cllr RS Hlatshwayo
PR - DA



Cllr JM Lekala
PR - DA



Cllr M Boshoff
PR - FF

WARD COUNCILLORS



Cllr LF Maloka
EXECUTIVE MAYOR



Cllr TS Moremi
SPEAKER OF COUNCIL



Cllr MP Mthonyane
WARD 1 - ANC



Cllr LJ Mokoena
WARD 2 - ANC



Cllr TE Ramothibe
WARD 3 - ANC



Cllr LL Batshege
WARD 4 - ANC



Cllr SD Mkhwanazi
WARD 6 - ANC
CHIEF WHIP



Cllr J Phahlane
WARD 7 - ANC



Cllr RS Loubser
WARD 8 - DA



Cllr Adv SJ Roos
WARD 9 - DA
CHIEF WHIP



Cllr Adv GL Coetzee
WARD 10 - DA



Cllr MK Rakitla
WARD 11 - ANC



Cllr SH Masina
WARD 12 - ANC



Cllr NK Vilakazi
WARD 13 - ANC

CHAPTER 2

FINANCIAL DEPARTMENT - PERFORMANCE HIGHLIGHTS

ANNUAL REPORT 2010/2011 FINANCIAL YEAR

Many municipalities in South Africa experienced a decline in debt collection and cashflow stress. The position statement of Lesedi Local Municipality (*LLM*) was under pressure during the 2010/2011 Financial Year.

The budget was compiled in terms of the Generally Recognised Accounting Practices (*GRAP*). The Medium Term Revenue & Expenditure Framework (*MTREF*) was supported by a long-term financial strategy.

The Mid-Year Budget was reviewed and adjusted in the context with the Generic Economic Climate (*GEC*) and shortage of working capital. During this process attention were given to the elimination of unnecessary spending and non-essential activities. The Mid-Year Budget (*2010/2011*) and the Mid-Year Report (*2010/2011*), as well as the Annual Report (*2009/2010*) were tabled and approved by Council at the end of January 2011.

The Reviewal process of the IDP & the Budget were discussed with the community and the Lesedi Council adhered to the following legislation:-

- * Municipal Finance Management Act
- * Property Rates Act
- * Municipal Systems Act
- * Supply Chain Management Regulations
- * The New Budget Regulations

The monthly, quarterly and mid-year reports for the financial department were submitted to all relevant departments and stakeholders. The Budget, IDP was approved by council and the Financial Statements for the 2010/2011 financial year was by council during September 2011 and submitted to National Treasury and the Department of Local Government within the time frames as prescribed by legislation.

Lesedi Local Municipality is financially sound and most of the creditors are paid within 30 days.

Attention was given to the elimination of distribution losses with respect to water and electricity. Audits have been done on electricity meters to reduce the tampering and bypassing of electricity meters. Unfortunately, the result of this process did not have an immediate impact in the year under review, as losses still reflected an increase.

The percentage of electricity losses amounted to **14, 18%** as a percentage and **R16 716 215** in value as at 30 June 2011.

Unreported water leakages had the consequence of **18, 45%** as a percentage and **R5, 163, 689** in value for water distribution losses as at 30 June 2011.

The Audit-Committee of Lesedi Local Municipality met more than three times during the 2010/2011 financial year under the review as prescribed by legislation. The internal audit function of Lesedi has been outsourced.

STATEMENT OF FINANCIAL PERFORMANCE ANALYSIS

The total revenue for 2010/2011 financial year amounted to R **366, 3** million (*R 298, 3 million: 2009/2010*). Service charges are the main source of revenue and the income for service charges have cross-subsidised other services. An amount of R **213, 3** million was received for service charges. An amount of R **95, 1** million was received for Governmental Grants and subsidies.

The total expenditure for the 2010/2011 financial year amounted to R **386, 3** million (*R 323, 6 million: 2009/2010*). Salaries and allowances amounted to R **88, 7** million (*R 79, 1 million: 2009/2010*) for the financial year. The total expenditure is inclusive of the provision for bad debts, provision for accumulated leave as well as depreciation. Bulk purchases and salaries and allowances represented a bigger percentage of the total expenditure.

A deficit for the year amounted to R **19, 3** million (*25, 2 million 2009/2010*)

Statement of changes in net assets in the annual financial statements summarises the key movements.

EXTERNAL LOANS AND INTERNAL ADVANCES

A new external loan of R28.9 million for 2010/2011 has been approved by Council however were only received in the 2011/2012 Financial year for the following projects:-

R 6 580 930 .00	Upgrade Ext 6 Industrial area 11kv feeder cable
R 975 871 .00	Upgrade Ratanda floating reservoir
R 250 214 .00	Upgrade Heidelberg electrical network
R 10 359 650.00	Upgrade Ext 23 bulk supply, install feeder cable and new substation
R 5 640 350.00	Upgrade Ext 7 Bulk supply, install 11kv feeder and new substation
R 5,171,700.00	Roads and Stormwater

All fixed assets are depreciated in terms of the new accounting policy and interest on external loans is accounted for.

SUPPLY CHAIN MANAGEMENT

The Council's SCM policy was reviewed and approved by Council in June 2010.

The Supply Chain Policy contains the following fundamental aspects:

1. Adherence to the constitutional expectations regarding the procurement system
2. Adherence to the Preferential Procurement Policy Framework Act
3. Adherence to the Municipal Finance Management Act
4. Adherence to delegation of powers as per requirements of the law

- * A Bid Adjudication committee was incepted in the last quarter of 2005
- * All Bid committees were subsequently aligned in 2006, namely Bid Specification, Bid Evaluation and Bid Adjudication, all committees were functional throughout the financial year under review.
- * No Councillors serve on these committees, as prescribed by the Municipal Finance Management Act. No 56 (*Act 56 Of 2003*)

Council has a Supply Chain Management unit, that is functional under the control of the Expenditure & Supply Chain Section in the office of the Chief Financial Officer. One Clerical Assistant was appointed on a one year contract basis in **2010/2011** using the Finance Management Grant to fund it, due to budget constraints on council's coffers.

A supplier's database was maintained and updated annually. An advert was issued inviting all suppliers and prospective suppliers to register on the municipal supply chain management database.

The INTENDA management system has been installed and was functional as from the 1st of July 2010. This system assisted the Lesedi Local Municipality in the rotation of their suppliers. The two systems is fully integrated since April 2011.

Acquisition is informed by operational budget practices and principles such as - the use of the section incorporating logistics and disposal management.

Demand management manifests from the Integrated Development Plan, Capital and Operating budgeting exercises.

Risk Management was implemented by the Budgeting & Reporting Section, focusing on assets, insurance, fleet management for vehicles by the Service Delivery department, Information Technology section for information storage and backup system in the Corporate Services department.

INVESTMENTS

The external investments with banking institutions and short-term deposits for the 2010/2011 financial year amounted to R 79.5 million and the withdrawals amounted to R 79.5 million which leaves Lesedi Local Municipality with Nil at year end 2010/11 . External investments are made according to an investment policy of Council.

External interest earned for the 2010/2011 financial year amounted to R **2, 0** million (*R2, 4 million: 2009/2010*) and paid out interest on loans for the 2010/2011 financial year amounted to R **5, 3** million (*R4, 6 million: 2009/2010*), resulting in a Nett deficit of R **3, 3** million for the year.

GENERAL – FINANCIAL CONTROLS

Effective internal financial controls implemented by finance department during 2010/2011 financial year, resulted in the Auditor-General, issuing an unqualified audit report. The opinion of the Auditor General, regarding the financial position of the Lesedi Municipality, was that the financial positions of council, as well as the results of its operations and cash flows for the year, were in accordance with the prescribed accounting practices.

DEBT COLLECTION / CREDIT CONTROL

INDIGENT POLICY

Council's indigent policy has been implemented to assist poor households, which cannot afford the services rendered. All households receive 50 kilowatts of electricity and 6 kilolitres of water free, and in addition an amount of R150 per household per month is credited to their account in order to assist them with refuse removal, assessment rates and sewerage costs. All outstanding arrears at the date of approval of an indigent status were written off.

BILLING OF DEBTORS

Council has strict controls regarding the timeous issuing of debtors statements for services rendered to its consumers. As a result of this the payment of the accounts by the consumers average 83% of the monthly amounts due. This is followed up by cut-off instructions issued against non-payers of services rendered by the Council.

A service provider was used from time to time, to identify households tampered with the electricity or water meters of Council. If the services of a household have been suspended due to tampering, the owner is responsible for all costs involved before the services are restored.

EVALUATION AND ADJUDICATION OF TENDERS

The following tenders were evaluated and adjudicated during the 2010/2011 Financial year

TENDERS ADJUDICATED FOR THE YEAR 2010/2011

29/2009	Scip Engineering (Project B)	Full Consulting services for the construction of Roads and Roads and Storm water in Ratanda Ext1, Ext7 and Ext8	R 1 311 000.00 Vat inclusive	51	3.97	0	No	No	Service Delivery
29/2009	Civil Consult Africa (Project A)	Full Consulting services for the construction of Roads and Roads and Storm water in Jameson Park, Impumelelo and Heidelberg Ext23	R 987 460.00 Vat inclusive	65	45	0	No	No	Service Delivery
1001901	Kgosimarone Create Construction	Installation of new sewer line at Impumelelo	R 158 460.00 Vat Inclusive	100	80	0	No	no	Service Delivery
1003821	Mikelo Construction & Trading	Supply and Delivery Diesel tractor and slasher	R129 000.00 No Vat	0	0	0	No	Yes	Service Delivery
1003823	Intenda (Pty) Ltd	Implementation of Intenda tendering and Quotations system	R 749 847.59 Vat Inclusive	56.27	0	0	Yes	Yes	Finance

32/2009	Phumi Trading JV Nkatho Tracing	The Provision of Agricultural Technical support Services	R 582 312.00 Vat Inclusive	100	100	0	Yes	Yes	Developme nt Planning
01/2010	Combined Systems	Physical Verification and Updating of Fixed Assets Register	R 302 000.00 Vat Inclusive	26	13	0	No	No	Finance
02/2010	Sechelo Trading Enterprise	Refuse Removal Services in Vischkuil, Endicott, Spaarwater and Driemanskap	R 1 045 982.88 Vat inclusive	100	100	0	No	No	Service Delivery
10/2010	Trompie Beleggings BK	Upgrading of Ratanda sportfield	R 480 950.38 Vat Inclusive	0	0	0	No	No	Park
1004223	Motsamayyi Media	Supply and Installation of Camera system for Libraries	R165 596.40 Vat Inclusive	100	100	0	No	No	Community Services
1000452 7	GMS Projects and Trading	Supply and Delivery of (1000) Dust Bins	R 126 260.00 No Vat	100	75	0	No	No	Stores
1004707	Electro Inductive Industries	Supply and delivery One(1) KVA Mini substation	R 173 690.40 Vat inclusive	70	0	0	No	No	Stores
06/2010	Peter Abraham Moagi Civil	Construction of Roads And Storm water in Ratanda Ext 1	R 5 388 683.23 Vat Inclusive	100	0	0	No	Yes	Services Delivery
07/2010	Mopani Makweteng Civils	Construction of Roads and storm water in	R 4 573 754.52	100	0	0	No	No	Service

	(Pty) Ltd	Ratanda Ext 7	Vat Exclusive								Delivery
08/2010	Mopani Makweteng Civils (Pty) Ltd	Construction of Roads and storm water in Ratanda Ext 7	R 3 600 318.00 Vat Exclusive	100	0	0	No	No	No	No	Service Delivery
04/2010	Masphi Bambolla & Century Civils JV	Construction of Roads and Stormwater in Jameson Park	R 3 279 191.19 Vat Inclusive	50	50	0	Yes	Yes	Yes	Yes	Service Delivery
03/2010	Masphi Bambolla & Century Civils JV	Construction of Roads and Stormwater in Ext 23	R 3 036 418.04 Vat Inclusive	50	50	0	Yes	Yes	Yes	Yes	Service Delivery
09/2010	Steiner Higiene (Pty) Ltd	Supply and Maintenance of Municipal Ablution Facilities	R 333 450.00 Vat Inclusive	28.43	16.83	0	No	No	No	No	Community Services
05/2010	Kwinyabols Construction	Construction of Roads and Stormwater in Impumelelo Ext 2	R 3 983 2529.52 Vat Inclusive	100	40	20	Yes	Yes	Yes	Yes	Service Delivery
15/2010	Lyon and Partners	Providing of Full Consulting Engineering Services for the Upgrading and Design of Several Electrical Bulk Supplies for the Lesedi Local Municipality	R 896 008.33 Vat inclusive	0	0	0	No	No	No	Yes	Service Delivery

24/2009	Promedia Outdoor	Supply, Erection and Maintenance of Illuminated Street Name Signs	No Cost	49.10	24.60	0	No	No	Developme nt and Planning
16/2010	Magnis Trucos (Pty) Ltd	Supply and Delivery of two(2) Refuse Compactor Trucks	R 2 841 502.40 Vat Inclusive	0	0	0	No	No	Service Delivery
108	Scip Engineering Group	Consulting Services for the Upgrading of Floating Roof for Reservoir	R 198 000.00 Vat Inclusive	51	25.1	0	No	No	Service Delivery
109	Civil Consult Africa	Consulting Services for the Resealing of Roads in Lesedi	R 175 000.00 Vat Inclusive	65	50	0	No	No	Service Delivery
CTT 899	Igen	Blue Drop Compliance with Emphasis on the Development of a Water Safety Plan for the Municipality	R 156 408.00 Vat Inclusive	100	50	0	No	No	Service Delivery
CTT321	TDR Civil and Building Construction	Construction of an 99M Long Access Strip at Ratanda Cemetery	R 115 6457.64 Vat Inclusive	100	75	0	Yes	Yes	Service Delivery
CTT326	Fastmove Electrical	Supply and Delivery of 2000M 10x 4 Core CU Cable	R 102 463.20 Vat Inclusive	100	0	0	No	No	Stores

CTT328	Industrial Poles and Masts(Pty)Ltd	Supply and Delivery of 50 x 6M Galvanised Streetlight Poles with 2M Reach complete with Base Plate, Bolts and Nuts.	R 148 070.50 Vat Inclusive	0	50	0	No	No	Stores
CTT323	N&R Electronic and Mechanical Supplies	Supply and Delivery of 300M X 185x3 Core PILC HT 11KV ALM Cable	R 137 760.00 Vat Inclusive	51	51	0	No	Yes	Stores
CTT1246	Fascination Books	Supply and Delivery of Books to Vischkuil Library	R 113 098.90 Vat Inclusive	0	0	0	No	No	Community Services
CTT318	Nhlanhla Yami Trading Enterprise	Supply and Erection of 235m Concrete Palisade Fence at Shalimar Ridge Library	R 125 400.00 No Vat	100	100	0	Yes	Yes	Community Services
110	Farad (Pty) Ltd	The Upgrading of Retief Substation	R 1 817 623.98 Vat Inclusive	25	0	0	No	No	Service Delivery
18/2010	Civil Consult Africa	Full Consulting Services for the Construction of Roads and Storm Water in Ratanda Ext 8,Heidelberg Ext 23/26 and Jameson	R 1 257 676.50 Vat Inclusive	65	50	0	No	No	Service Delivery

		Park(Portion A)											
18/2010	Scip Engineering Group	Full Consulting Services for the Construction of Roads and Storm Water in Ratanda Ext 3,6,7 and Impumelelo EXT 2(Portion B)	R 1 162 800.00 Vat Inclusive	51	25.1	0	No	No	No				Service Delivery
CTT1706	N&R Electronic and Mechanical Supplies	Supply and Delivery of 300M X 185x3 Core PILC HT 11KV ALM Cable	R 147 289.14 Vat Inclusive	51	51	0	No	No	Yes				Stores
CTT1450	Thami and Jerry Business Enterprise	Supply and Installation of Fifty VIP Structure	R 190 240.00 No Vat	100	0	0	Yes	Yes	Yes				Service Delivery
CTT1621	Sedgars	Supply and Delivery of Promotional Material	R 132 240.00 Vat Inclusive	100	10	0	Yes	Yes	Yes				Community Services
CTT1838	DRK Consulting CC	Refurbishment of Skip Bins	R 171 000.00 Vat Inclusive	100	0	0	No	No	No				Service Delivery
32/2010	Tswelopele Office Automation Ltd T/A Nashua East Rand	Leasing of Photo Copier Machine (Machine B)	R 1 161 403.92 Vat Inclusive	26	0	0	No	No	No				Corporate and Legal Department
34/2010	Itec Biz	Leasing of Photo Copier Machine(Machine A)	R 820 584.36 Vat Inclusive	100	0	0	No	No	No				Corporate and Legal Department

35/2010	Aquatana(Pty)Ltd	Reroofing of Emmasdal Floating Cover Reservoir	R 115 647.64 Vat inclusive	26.75	0	0	No	No	Service Delivery
39/2010	Immediate Electrical	Bulk Electricity Supply in Heidelberg Industrial Area	R 7 362 773.22 Vat Inclusive	49	51	0	No	Yes	Service Delivery
38/2010	Immediate Electrical	Bulk Electricity Supply in Ratanda EXT 7	R 5 506 695.22 Vat Inclusive	48	51	0	No	Yes	Service Delivery
37/2010	Siza – Mekaar	Bulk Electricity in Ratanda Ext 23	R 10 663 088.04 Vat Inclusive	67	33	0	No	No	Service Delivery
40/2010	TDR Civil and Building Construction	Resealing of Roads	R 2 000 000.00 Vat Inclusive	100	50	0	Yes	Yes	Service Delivery
CTT2364	Sukuma Distributors (Pty) Ltd	Supply of Selective Herbicides	R 117 807.00 Vat Inclusive	100	0	0	No	No	Community Services
CTT2302	Schneider Electric South	Supply of An Auto Re- closer	R 151 335.00 Vat inclusive	0	13.1	0	No	No	Stores
CTT2649	SP2000 Roads (Pty) Ltd	Supply and Delivery of 90Ton Cold Premix	R 156 750.00 Vat inclusive	0	0	0	No	No	Service Delivery
CTT2655	Starplex	Supply And Delivery of 1000x85Ltr Dust Bins	R 161 420.00 Vat Inclusive	100	100	0	Yes	Yes	Stores

CTT2654	N & R Electronic and Mechanical Supplies	Supply and Delivery of 1200M x 95 x 4 PVC Solid ALM Cable	R 133 393.68 Vat Inclusive	51	51	0	No	Yes	Stores
01/2011	New Vaal Motors	Supply and Delivery of an Executive Sedan	R 683 299.392 Vat Inclusive	0	0	0	No	Yes	Executive Mayor
CTT2737	Lyrcom	Supply and Delivery of a Tractor	R 151 050.00 Vat Inclusive	100	50	0	No	No	Parks
CTT2657	V3 Civil Contractors JV/Isolesizwe Construction	Repair of the Low Water Bridge in Kismet Street	R 167 366.25 Vat Inclusive	50	100	0	No	No	Service Delivery
CTT2735	Ditiro IT Resource Services	Supply and Delivery of 23 Computers	R 130 365.84 Vat Inclusive	100	0	0	No	No	Community Services
CTT2742	Nhlanhla Yami Trading Enterprises	Supply and Delivery of a Concrete Palisade Fence at Heidelberg Ext 26 Clinic	R 113 663.00 No Vat	100	100	0	Yes	Yes	Service Delivery
CTT3412	Continuing Education at University of Pretoria Trust	Occupational Health and Safety Course	R 134 809.00 Vat Inclusive	0	0	0	No	No	Human Resources
CTT3554	Worldwide Information (PTY) Ltd	Newspapers and Magazines for Lesedi Local Municipality Libraries	R 158 027.16 Vat Inclusive	0	0	0	No	No	Community Services

CTT3265	Agriquip	Supply and Delivery of a Tractor	R 137 940.00 Vat Inclusive	18	0	0	0	Yes	Yes	Parks
CTT3703	Izigi Zeafrika Construction	Repair of Sidewalk in Jacob Street between Van der Westhuizen and Du Preez Streets	R 156 978.00 Vat Inclusive	100	0	0	0	No	Yes	Service Delivery
CTT2663 :03/2011	Phutadichaba Trading Enterprise	Construction of Roads and Storm Water in Impumelelo	R 6 857 859.12 Vat Exclusive	100	50	0	0	No	Yes	Services Delivery
CTT2664 :04/2011	Century Civils JV/Masphi Bamelela	Construction of Roads and Storm Water in Ratanda Ext 3: Subject to Vat Registration by the JV	R 4 207 277.53 Vat Exclusive	41	41	0	0	Yes	Yes	Service Delivery
CTT3767 :05/2011	JKH Mohale Construction	Construction of Roads and Storm Water in Ratanda Ext 6 & 7	R 3 565 916.86 Vat Exclusive	100	50	0	0	No	Yes	Service Delivery
CTT3187 :11/2011	ODD Jobs	Alteration to the Cricket Clubhouse and Shelter for Players	R 396 544.44 Vat Inclusive	40	0	0	0	Yes	Yes	Service Delivery
CTT2188 :13/2011	CMS Engineering	Design, Build, Supply and Installation of a Motor Control System for Reservoir Pump	R 312 935.70 Vat Inclusive	60	0	0	0	No	No	Service Delivery

CTT2677 :06/2011	Century Civils	Construction of Roads and Storm Water in Heidelberg Ext 23&26	R 6 769 090.75 Vat Inclusive	0	0	0	0	No	No	Service Delivery
CTT2672 :08/2011	Century Civils JV/Masphi Bamelela	Construction of Roads and Storm Water in Ratanda Ext 8: Subject to Vat Registration by the JV	R 3 141 546.82 Vat Inclusive	46	46	0	0	No	No	Service Delivery
CTT2668 :07/2011	Century Civils JV/Sisters in Army	Construction of Roads and Storm Water in Jameson Park: subject to Vat Registration by the JV	R 3 592 519.83 Vat Inclusive	42	42	0	0	No	No	Service Delivery
10/2011	DBSA	Long Term Loan	R 7 807 015.00 @12% over 20 years	0	0	0	0	No	No	Finance
10/2011	DBSA	Long Term Loan	R16 000 000.00 @6.75% over 20 Years	0	0	0	0	No	No	Finance
10/2011	DBSA	Long Term Loan	R 5 171 700.00@11.65% over 12 Years	0	0	0	0	No	No	Finance

ANNUAL REPORT

SERVICE DELIVERY
LESEDI LOCAL MUNICIPALITY

JULY 2010 – JUNE 2011

Service Delivery Team



20 mVa Transformer Heidelberg Main Sub



SERVICE DELIVERY ANNUAL REPORT 2010/2011

Electricity

The Council spented in the region of R62 million to upgrade Electrical bulk supply in Lesedi area the past two years to have a stable electrical supply to the communitiee and for future development.

Heidelberg main supply upgraded from 40 mva to 60 mva.

Ratanda Electrical Bulk supply from 10 mva to 40 mva.

Jameson Park bulk supply from 5 mva to 20 mva.

Build a new 22 kv switching substation in Impumelelo

Build a new 11 kv switching substation and install two new bulk supply cables Ext 23.

Build a new 11 kV switching substation and install two new supply cables from Rat6anda substation in Ext 7.

Upgrade bulk supply to Industrial area installation of two electrical cables.

The Council budget every year R11 million to maintain the electrical reticulation.

Water and Sewer

The Council build a new 6 MI reservoir for water supply to Heidelberg and Ratanda – R9 million.

The Council is busy with a project War against water leakages. Impumelelo water leakages are repaired and busy in Ext 23. DWAF funded R700 000.

The installation of a new motor control unit for the Main Reservoir of Ratanda and Heidelberg were also completed. Total amount spended R312 935,70.

The upgrading of Ratanda Floating Reservoir were completed – amount R975 871,60.

The Council budget every year R2 million to maintain the water and sewer network.

Roads and Stormwater

The Council completed 22 km of roads in Lesedi area the last two years and used R44 million and in the 2011/2012 budget the Council will complete 13 km of roads – R30 million.

The Council budget every year R2 million to do resealing work in Lesedi area.

The Council budget every year R2 million to maintain Roads and Stormwater. Total km of roads to maintain is 692 km.

Waste Removal

The Council bought two new waste removal trucks in the 2010/2011 budget – R3 million.

General

All above projects the past 2 years created 720 temporary work and 15 CLO's.

PROJECTS 2010/2011

WATER PROJECTS

DEPARTMENT ENGINEERING SERVICES PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2010 TO JUNE 2011	
PROJECT NAME & COST	
Network Extensions and Upgrading Upgrade Floating Reservoir Budget: R1 000 000 Funds Used: R975 871,00 Consultant: Scip Contractor: Aquatan	Consultant was appointed and tenders were invited to appoint a contractor. Contractor was appointed during February 2011. The work was completed 15 June 2011. The water networks are constantly upgraded and extended in order to ensure better service delivery and to reduce operation and maintenance costs.
Bulk Water Supply Obed Nkosi Pipeline Funds roll over Budget: R3 275 176 million Funds Used: R3 275 176 million Consultant: SCIP Contractor: Mamohato Construction Cession: Fukama	Project 100% completed. Project will be completed during 2010/2011 budget. Project delayed due to rainfall and due to the incompetence of Main Contractor. Cession with a new Contractor and will be completed end of December 2010.
Maintenance of Water Network Budget: R1 149 000 Funds Used: R1 133 575 In-house	The water network is constantly maintained and repaired.
Motor Control Unit Reservoir Heidelberg Budget: R315 000 Funds used: R312 935,70 Contractor: CMS Water Engineering	Installation of a New Control Panel for the reservoir by a Contractor. Project completed end of June 2011.

Bulk Water Supply Obed Nkosi



Motor Control Unit Reservoir Heidelberg



New Floating Roof Reservoir



SEWAGE PROJECTS

DEPARTMENT ENGINEERING SERVICES PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2010 TO JUNE 2011	
PROJECT NAME & COST	
Maintenance of Sewer Network Upgrading Lesedi (Ongoing) Budget: R1 150 000 (In-house) Funds Used: R1 100 727	The sewer network is constantly maintained The sewer networks are constantly upgraded and extended in order to ensure better service delivery and to reduce operation and maintenance costs.

ROADS, STORMWATER AND PUBLIC WORKS PROJECTS

DEPARTMENT ENGINEERING SERVICES PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2010 TO DECEMBER 2010	
PROJECT NAME & COST	
Building of New Paved Roads Lesedi, Ratanda 1,6,7,5,23 and Impumelelo Ext 2. Budget: R14 602 000 (2009/2010) Funds Used: R8 902 000 Funds roll over 2010/2011: R5 700 000 Funds Used: R5 700 000 Consultant: SCIP Contractor: Century Civils Madiba Road Ext 23: Budget: R1 800 000 – completed.	Project 100% completed. Project delayed due to rainfall ± 3 months. Build 6.6 km paved roads. Employed a Contractor making use of Black Empowered Sub Contractors, making use of 2 CLO and 6 Sub contractors was used. 153 Local labourers were used. Project was completed end of December 2010.
Road Resealing Lesedi. Budget: R2 000 000 Funds Used: R1 064 322,60 Consultant: Civil Consultants Contractor: TDR Civils (Cession with KPG)	Project was completed end of June 2011. 3 km of road will be resealed, at the back of the old Council building in Heidelberg, Hendri Schleckamp Rensburg, Wessels St Jordaan Park, Merz St.
General Maintenance Roads Budget: R1 506 329 (In House) Funds Used: R1 506 318	Maintenance of roads Appointed 30 temporary workers to clean streets in Ratanda.
Building of New Roads Lesedi Impumelelo, Ext 23, Ext 7, 8, 1 and Jameson Park. Budget MIG: R19 239 000 MIG Funds used: R19 239 000 Budget Council: R5 171 700 Council Funds Used: R1 854 796,28	Build 11 km paved roads. Employed 4 BBBEE Contractors making use of Black Empowered Sub Contractors, making use of 6 CLO. 260 Local

<p>Consultants: Civil Consultants Contractor: Masphi Bambella & Century Civils JV, (Ext 23/26 and Jameson Park). Contractor: Kwinjabols (Impumelelo)</p> <p>Consultants: Scip Contractor: Mopani Makweteng Civils (Ext 7 & 8). Contractor: Peter Abraham Moagi Civils (Ext 1).</p>	<p>laboures were used.</p> <p>Ext 23 – project completed. Jameson Park – project completed. Impumelelo – project completed. Ext 7 – project completed. Ext 1 – project completed. Ext 8 – project completed.</p>
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New Paved Roads in Ratanda Ext 1,7,8, Impumelelo, Jameson Park and Ext 23



Impumelelo Roads & Stormwater





Maintenance Roads in Lesedi



Grading of Gravel Roads in Rural Areas



Grading of Gravel Roads in Ratanda Area



Resealing of Roads in Lesedi



Maintenance of Kismet Street – Shalimar Ridge



SPORT RECREATION & CULTURE PROJECTS

DEPARTMENT ENGINEERING SERVICES PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2010 TO JUNE 2011	
PROJECT NAME & COST	
Palisade Fencing Library Shalimar Ridge Budget: R200 000 Funds Used: R107 949.75 Contractor: Nhlanhla Yami Trading	Project Completed. Employed a Black Empowered Company.
Ratanda Cemetery Entrance Paving Budget: R150 000 Funds Used: R101 445.15 Contractor: TDR Civils	Project Completed. Employed a Black Empowered Company.
Upgrade of Union Sport Grounds Budget: R400 000 Funds Used: R396 544 Contractor: Odd Jobs	Project completed

Palisade Fencing Library Shalimar Ridge



Ratanda Cemetery Entrance Paving



Union Sport Grounds



ELECTRICITY PROJECTS

DEPARTMENT ENGINEERING SERVICES PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2010 TO JUNE 2011	
PROJECT NAME & COST	
Upgrade Low Tension Network: Heidelberg Budget: R600 000 (In House) Funds Used: R599 973,52	Project is 100% completed. Install a underground cables and upgrading of low tension lines. To ensure a stable electrical supply to the consumers. Appointed 10 temporary workers.
Upgrade Electrical Bulk Supply: Heidelberg, Ratanda & Jameson Park <u>Heidelberg Sub</u> Budget: R400 000 Funds Used: R398 899 <u>Ratanda Sub</u> Budget: R300 000 Funds Used: R287 234 <u>Jameson Park Sub</u> Budget: R500 000 Funds Used: R494 610 Consultant: Lyo Emfuleni Contractor: Immediate Electrical	Eskom will complete the project in July 2012. The project on the Council side was completed by the end of Nov 2010. Project will be completed in 2 years. Council paid already R27 million to ESKOM for upgrade of the substations.
Upgrade Ext 23 Electrical Feeder and Internal New Substation Revised Budget: R10 585 735 Funds Used: R9 183 728,42 Funds budgeted 2011/2012 budget Consultants: Lyon & Partners Contractor: Siza-Mekaar	Consultant was appointed, tender closed 1/7/2010 and tender for Contractor closed on the 29/11/2010. Project was completed 26 August 2011.

DEPARTMENT ENGINEERING SERVICES PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2010 TO JUNE 2011	
Upgrade Ext 7 Electrical Feeder and Internal New Substation Revised Budget: R5 640 350 Funds Used: R4 640 350 Funds budgeted 2011/2012 budget Consultants: Lyon & Partners Contractor: Immediate Electrical	Consultant was appointed, tender closed 1/7/2010 and tender for Contractor closed on the 29/11/2010. Project was completed 24 August 2011.
Upgrade Bulk Supply Industrial Area Revised Budget: R6 580 930 Funds Used: R5 296 818,87 Funds budgeted 2011/2012 budget Consultants: Lyon & Partners Contractor: Immediate Electrical	Consultant was appointed, tender closed 1/7/2010 and tender for Contractor closed on the 29/11/2010. Project will be completed end of September 2011.
General Maintenance Budget: R11 240 000 In-house Funds Used: R11 205 671	Regularly maintenance is done on substations, underground reticulations and overhead lines and repair 11 kV cable and substations faults.
General Maintenance streetlights Budget: R620 520 In-house Funds Used: R620 518	Regularly maintenance is done on 2500 streetlights and 125 High Mast Lights.
Upgrade Load Control System Heidelberg Substation Budget: R1 600 000 Funds Used: R1 594 407,00 Consultant: Lyon & Partners Contractor: Farad (PTY)LTD	Installation of New Load Control System for the new Eskom supply point in Heidelberg substation. Project completed.

Retief Substation New 11 kV Switchgear



Ratanda Substation New 11 kV Switchgear



New 20 mVa Transformers Heidelberg and Ratanda Substation



Cables installed in Ext 23,7 and Industrial Area



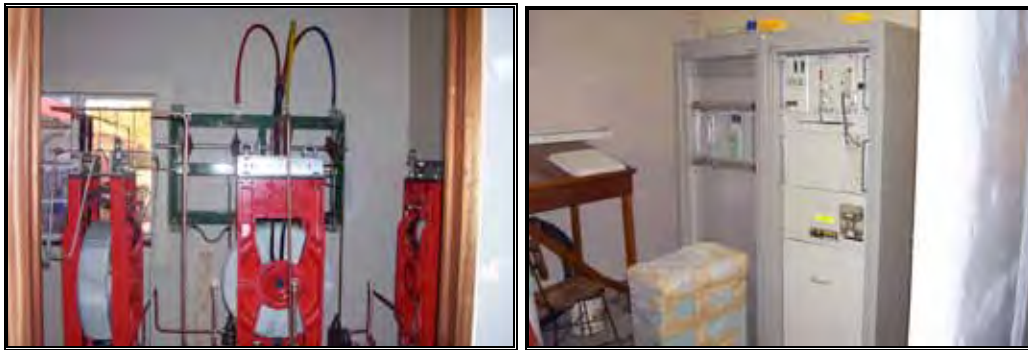
Ratanda Ext 7 New Switching Substation



Temporary workers busy in Marchall street to dig trenches to install underground electrical network and remove overhead lines.



Installation of New Load Control System Heidelberg Substation (Geyser Control)



DEPARTMENT ENGINEERING SERVICES PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2010 TO JUNE 2011

PROJECT NAME & COST	
Buying of Council Vehicles (In-house) 2 x Refuse Trucks: Budget: R2 500 000 Funds Used: R2 492 545.96 Supplier: Magnus Trucks PTY	Delivery of 2 refuse trucks will be During December 2010.

Total Local People employed by the Lesedi Local Municipality and Contractors for July 2010 - June 2011 budget.

CLO	WOMAN ADULT	MEN ADULT	YOUTH MALE	YOUTH FEMALE
9	40	90	220	60

SERVICE DELIVERY PERFORMANCE RATE : SUPPLIERS

Rating : 1 – Low 2 – Moderate Some Concern 3 – Moderate problems party's 4 – High improvement.	Lack in service performance. Acceptable performances however room for improvements exist. Acceptable performance with limited that are dealt and solve internally to both acceptance. Total satisfactory – no room for

	SUPPLIER	RATE 2009/2010	RATE 2010/2011	BUDGET/ COMMENT
1	ESKOM Main supply to Heidelberg Munic, Ratanda Munic, Jameson Park , Impumelelo and Kwanzenzele.	Moderate to some Concern (2)	Moderate to some Concern (2)	ESKOM switch off without notice
2	ERWAT (Sewer Plants) Heidelberg Plant, Impumelelo Plant	High (4)	Moderate (2)	
3	Rand Water Board Heidelberg /Ratanda, Impumelelo, Vischkuil/Devon	High (4)	High (4)	
4	New Roads & Stormwater Ratanda 1,6,7,5,23 & Impumelelo Ext 2 Consultants Simunye Consulting and Implementation Partnership Pty LTD (SCIP) Contractor: Century Civils	High (4) High (4)	High (4) High (4)	Funds roll over: R5 700 000 Funds used: R5 700 000 Project completed
5	Road Resealing Lesedi Consultant Civil Consult Contractor: TDR Civils (Cession KPG)		High (4) Low (1)	Budget: R2 000 000 Funds Used: R1 064 322 Contractor did not complete the project and appoint KPG to complete the project.
6	Network Extension and Upgrading Floating Reservoir Consultant SCIP Contractor:		High (4)	Revised Budget: R1 000 000 Funds used:

	SUPPLIER	RATE 2009/2010	RATE 2010/2011	BUDGET/ COMMENT
	Aquatan		High (4)	R975 871,00 Project completed
7	Bulk Water Supply Obed Nkosi Pipeline Consultant SCIP Contractor: Mamohato Construction Cession Fukama Civils	Low (1)	High (4) High (4)	Budget: R3 200 000 Project performance is slowly due to non performance by the contractor. Project will be completed during 2010/2011 budget end of December 2010. Appointed new contractor under a cession. Project completed
8	Upgrade Ext 23 Electrical Feeder and Internal New Switching Substation Consultant Lyon & Partners Contractor: Siza-Mekaar		High (4) High (4)	Revised Budget: R10 585 735 Funds used: R9 831 728 Project completion 2011/2012 budget Aug 2011
9	Upgrade Ext 7 Electrical Feeder and Internal New Switching Substation Consultant Lyon & Partners Contractor: Immediate Electrical		High (4) High (4)	Revised Budget: R5 640 350 Funds Used: R4 640 350 Project completion 2011/2012 budget Aug 2011

	SUPPLIER	RATE 2009/2010	RATE 2010/2011	BUDGET/ COMMENT
10	Upgrade Main Substation Heidelberg Consultant Lyo Emfuleni Contractor: Immediate Electrical (Pty)Ltd	 High (4) High (4)	 High (4) High (4)	Budget: R400 000 Completion in November 2010 Completion in November 2010 Funds used: R398 899,00
11	New Substation Jameson Park Consultant Lyo Emfuleni Contractor: Immediate Electrical (Pty)Ltd	 High (4) High (4)	 High (4) High (4)	Budget: R500 000 Completion in November 2010 Completion in November 2010 Funds Used: R494 610
12	Upgrade Ratanda Substation Consultant Lyo Emfuleni Contractor: Immediate Electrical (Pty)Ltd	 High (4) High (4)	 High (4) High (4)	Budget: R300 000 Completion in November 2010 Completion in November 2010
13	Upgrade Bulk Supply Industrial Area Consultant Lyon & Partners Contractor: Immediate Electrical		 High (4) High (4)	Revised Budget: R6 580 930 Funds used: R5 296 818,87 Project completion 2011/2012 budget Sept 2011
14	Buying of Vehicles (In House) 2 Refuse Trucks Supplier Magnus Trucks PTY		 High (4)	Budget: R2 500 000 Delivery of 2 refuse trucks will be During

	SUPPLIER	RATE 2009/2010	RATE 2010/2011	BUDGET/ COMMENT
				December 2010.
15	Building of New Roads Lesedi Impumelelo, Ext 23, Ext 7, 8, 1 and Jameson Park. Consultant Civil Consultants Contractor: Masphi Bambella & Century Civils JV, (Ext 23/26 and Jameson Park). Contractor: Kwinjabols (Impumelelo) Contractor made use of cession to complete the project Consultant Scip Contractor: Mopani Makweteng Civils (Ext 7 & 8). Contractor: Peter Abraham Moagi Civils (Ext 1).		High (4) High (4) Moderate (3) High (4) Moderate (3) Moderate (3)	Budget MIG: R19 239 000 Budget Council: R5 171 700 Funds used: MIG: R19 239 000 Council: R1 854 796 Projects completed
16	Palisade Fencing Library Shalimar Ridge Contractor: Nhlanhla Yami Trading		Moderate (3)	Budget: R200 000 Funds used: R107 949,75 Project completed
17	Ratanda Cemetery Entrance Paving Contractor: TDR Civils		Moderate (3)	Budget: R150 000 Funds used: R101 445,15 Project completed
18	Upgrade Union Grounds In-house Contractor: Odd Jobs		High (4)	Budget: R400 000 Funds Used: R396 544 Project completed
19	Upgrade Load Control System Heidelberg			Budget: R1 600 000

	SUPPLIER	RATE 2009/2010	RATE 2010/2011	BUDGET/ COMMENT
	Substation Consultant: Lyon & Partners Contractor: Farad (PTY)LTD		High (4)	Funds Used: R1 594 407,00 Project completed
20	Motor Control Unit Reservoir Heidelberg Contractor: CMS Water Engineering		High (4)	Budget: R315 000 Funds used: R312 935,70

ANNUAL REPORT JULY 2010 TO JUNE 2011: DEVELOPMENT & PLANNING

INTRODUCTION

The department of Development and Planning has a huge task of facilitating development within the municipality. At main the department is responsible for Housing provision, Town Planning, Building Control, Local Economic Development within the municipality. Other responsibilities include environmental management, marketing and tourism.

This report serves as an illustration of the activities that transpired within the department over a period between July 2010 and June 2011. The department has a responsibility to ensure that houses as provided by the Department of Local Government and Housing are allocated to the relevant beneficiaries. Housing projects that are currently implemented within the municipality are Impumelelo Ext. 2, Kwazenzele, Obed Nkosi and Ratanda hostel upgrading. Other projects such as Kaydale, Impumemelelo ext. 3 and 4 as well as Kwazenzele phase 2 are still at planning stage.

There are a number of challenges that are encountered with regard to housing delivery which emanates from non-payment of contractors as well as the appointment of incompetent contractors by DLGH particularly in Kwazenzele and Impumelelo.

The Town Planning Section has played a vital role in facilitation of major residential, commercial and industrial development within the area. A high level of densification was facilitated particularly in areas such as Bergsig, Heidelberg Central and Rensburg. Furthermore, a number of township establishments were initiated to ensure that there is sufficient land earmarked for development. Some of the major township establishments that were facilitated during this period are Tamboekiesfontein logistics hub, Obed Nkosi mixed residential development and Zone of Opportunity.

Environmental authorizations are awaited for the establishment of a permanent in Ratanda Extension 8 to relocate and formalize informal settlements of approximately 470 beneficiaries and Rensburg Extension 2, a township that was established long ago. The Municipality forfeited the right to develop on this property. The Gauteng Department of Agriculture and Rural Development instructed the Municipality to conduct an EIA, prior to any development. Greenline Environmental Consulting (Pty) Ltd was appointed in this regard. Prescribed specialist studies were done and completed. Outstanding is the submission of the EIA report to GDARD by Greenline Environmental Consultants (Pty) Ltd. Another EIA has been commissioned to Thibane Strydom and Associates for the formalization of the settlement in Langzeekoegat, a property was procured by the Department of Rural Development and Land Reform for farm fifty eight farm occupiers.

In terms of the building control, the department has taken a zero tolerance approach towards illegal building activities. Notices and legal actions will be taken against the defaulters in this regard. Furthermore the department will continue to improve on turn-around-times for building plans approval. Currently our turn-around time for the approval of building plans is four weeks however measures have been put in place to reduce it to two weeks. Challenges that emanates from the approval of plans are dealt with during a the Sectional Meetings that are held on weekly bases. Furthermore the skills and capabilities of the Building Control Officers and Inspectors are enhanced through the provision of structured training provided by DBSA on behalf of the municipality.

Local Economic Development (LED) is a cornerstone of our development within the municipality. Through LED a conducive economic environment is created to attract investors and empower emerging businesses in the area. The municipality set aside a sizeable amount of money annually for provision of infrastructure for informal traders. This initiative has played a major role in empowerment of the local SMMEs and the demand for stalls keeps on increasing annually.

The Department of Economic Development has been approached to assist the Municipality to finalise its Local Economic Development Master Plan. The latter is envisaged to consider the peri-urban character of the Municipality by encapsulating the elements of the Comprehensive Rural Development Programme.

1. Investments

- Coca-Cola Valpre Water Plant
- Transnet Bulk Liquid Terminal
- Zone of Opportunity
- Southern Gateway Logistic Hub
- Integrated Medical Facility

a) Coca-Cola Valpre Water Plant

The construction of Coca-Cola Valpre Water Plant was completed including the construction of internal and external roads. The official opening of the company took place during this financial year. Coca-Cola has procured most of the building materials from local manufacturers and local labour force was used during construction phase. approximately 300 jobs were created during the construction phase.

The company has set aside a sizeable amount of money to be used for Community Social Investment (CSI). So far two business plans were submitted to the company for consideration, viz practice field in Ratanda Stadium and a sports field in Jameson Park. The company approved the upgrading of Ratanda Practice Field and an amount of R1000 000 was committed and used in this regard. Furthermore Coca cola has also committed to assist with any water related project within 50km radius of the plant. This includes drinking water for the community, boreholes and water reservoir.

b) Transnet

Transnet has started a construction of Bulk Liquid Terminal in Jameson Park along R42 Corridor. This project forms part of the Multi Product Pipeline from Durban to Heidelberg, which carries four products including petrol, diesel, aviation fuel and crude oil. The Bulk Liquid Terminal will serve as a storage point thereby ensuring that there is enough fuel in the inland. It is anticipated that approximately 24 tanks will be constructed for this project.

This project has also attracted other investors within the area in the form of Vopack Reatile Joint Venture who have been recently awarded a license by NERSA to initiate their operations in the area. The LLM is also investigating the possibilities of establishing an Industrial Township along this corridor, due to inundated requests received from potential investors.

The Southern Gateway Logistic Hub

The proposed logistic hub is located in between the N3 and R103 corridors (Tamboekiesfontein) and it can be directly accessed from the freeway through R550 corridor. The area measures approximately 550 hectares and ROD has been approved for the first 30ha, another 90ha has a pending ROD and a new EIA has to be processed for the remainder of this portion. Initially IDC has offered to avail funding to assist the Lesedi Local Municipality with feasibility studies as well as other facilitation costs that may be necessary to speed up the establishment of the Township however they withdrew after discovering that the land in question does not belong to the municipality.

The consortium leading the development is led by Muzi Wami Properties and which includes Vunani Capital. The Socio-economic impact study that has already been carried out on behalf of the IDC indicates that a minimum of 13 000 new (direct and indirect) jobs will be created by the new development. The development will cost a minimum of R3 billion. GEDA, Gauteng Provincial Government, Gautrans and DED have all identified this project as of provincial and national strategic importance and they are in full support of it.

The primary significance of this logistic hub is to take off the bulk freight from the main ports of Richards Bay and Durban and break it into warehousing units so that it can be distributed to the inland in an efficient manner. Subsidiary benefit to this hub is to alleviate traffic congestion and help reduce associated road fatalities.

The envisaged project is comprised of the following establishments:

- Warehouses
- Commercial Offices
- Trucking stop and refueling station
- Container Depot
- Light Commercial Industries

Integrated Medical Facility

The Council has approved proposed development of an Integrated Medical Facility in the area North of Bergsig. This development is envisaged for the construction of a university hospital that will use alternative healing therapy based of eastern medicine and methods such as acupuncture and herbal cures. Initially the LLM wanted to enter into Private Public Partnership (PPP) with the developers but it was later discovered after engagements with the National Treasury that this process will take a long time. Recently Council has taken a resolution that Meigui must purchase the land for the construction of hospital and as far as the Herbal Farm is concerned the company must enter into a lease agreement with the municipality.

Meigui Developers have pledged to inject an amount of R7,5 Billion for the construction of 600 beds hospital and the project is envisaged to created more than five thousand job opportunities for local communities.

Background of Londindalo Alien vegetation Eradication Project (LAVEP)

LAVEP (Londindalo Alien Vegetation Eradication Project) was initiated in 2006 as a community based project. The project was previously located in Heidelberg: Eldorado Resort on the farm called Kafferskraal 381 IR and since its inception the project has been funded by the LLM and GDARD. On the previous site area was 67 hectares and a tributary of the Suikerbosrand River runs through the farm. The stream had virtually stopped running, due to encroachment by alien vegetation. South Africa is experiencing accelerating deterioration of natural resources due to alien invasive plants.

The beneficiaries executed all operations on the aforementioned site and the site hand-over was conducted on the 8th July 2010 where all stakeholders were involved.

Since the 5th May 2010 the beneficiaries have started working on another site which is situated in Heidelberg: Avondrus. The site is owned by Jordan Vinsel. The total infested area is 69ha in extent and just like the previous site, the tributary of Suikerbosrand River runs through the farm and the area is experiencing accelerating deterioration of natural resources due to alien invasive plants.

The Lesedi Local Municipality therefore undertook to enter into contractual agreement with GDARD and the Land owner. For this financial year 2010/11 project is being funded by GDARD with an amount not exceeding R599 000.00 and Lesedi Local Municipality will be counter funding with an amount not exceeding R400 000.00.

The project is initiated within the EPWP model and is counter funded by the Municipality and GDARD. In its current scope, it is extended to the rural area of Vischkuil, on the property Vriesgewacht and the Suikerbosrand Nature Reserve. Thirty two direct jobs are created. A local SMME is an addition in the form of transportation. On the farm Vriesgewacht, thirteen beneficiaries from the nearby Langzeekoegat community are employed. The local SMME is an added advantage from the Zivuseni Primary Agricultural Cooperative. Other services like chemicals, provision of toilets and equipment are procured in accordance with the procurement policy of the Municipality. The Department of Environmental Affairs has added its weight by providing a grant of R3 million for the eradication of Alien Vegetation. They have appointed a project implementation agent who will manage the implementation of the grant. The Business plan is at an advanced stage. Sites have been identified in Sedaven and Vischkuil. In addition to this injection, an eco-furniture factory is being established on the farm Jameson Park as a gesture of creating jobs by the National Department of Environmental Affairs. It is expected to manufacture desks and office furniture for Government Departments. The wood thereof will be derived amongst others from the alien vegetation projects that are underway in the area and the country at large.

BELOW ARE THE PICTURES OF THE SITE BEFORE AND AFTER THE ERADICATION OF ALIEN PLANT



Before



After

The project is modeled according to the Working for Water program under the Environmental Sector of the Expanded Public Works Program.

Aim/s

- Contribute to conservation of natural resources through control and eradication of alien vegetation.
- Assist in poverty alleviation through job creation and skills development.

Objectives

- Enhance water security
- Restore agricultural capacity and security
- Improve the ecological integrity of natural systems
- Maximize social and economic benefits
- Promote appropriate land use and rehabilitation of cleared areas
- Protect and restore biodiversity
- Create jobs and develop skills to alleviate poverty

Co-operate governance

The project has enhanced cooperate governance between all spheres of government and partnership between public and private sector.

Stakeholders	Role
National Department of Water Affairs and Forestry (DWAF)	<ul style="list-style-type: none"> • Custodian of Working for Water program
National Department of Agriculture	<ul style="list-style-type: none"> • Administer and enforce CARA legislation • Funder: Land Care conditional grant
National Department of Public Works	<ul style="list-style-type: none"> • EPWP custodian
Gauteng Department of Agriculture and Rural Development	<ul style="list-style-type: none"> • Funder: • Conducts quality control
Gauteng Department of Labor	<ul style="list-style-type: none"> • Provide training
Lesedi Local Municipality	<ul style="list-style-type: none"> • Implementing agent • Funder
Land Owner	<ul style="list-style-type: none"> • Provides access
Beneficiaries	<ul style="list-style-type: none"> • Execute operations

In terms of socio- economic impact, the project has created 32 job opportunities. Out of 32 jobs created 69% are women and 31% are males youth, 78% youth and 6, 25% are physically challenged. The project has a

very positive impact to the community because of the job opportunities that have been created as well as skills development. The beneficiaries have been trained on various skills such as chainsaw operation, herbicide application, finance management, life skills, fire fighting and first aid. The training was offered by Department of Labor.

LAVEP has implemented secondary industry component through selling of the cut wood. This business has yielded positive results so far and has generated an amount of R16 932 from the two markets obtained, namely Karen Beef Quality Meet and Suikerbosrand Butchery in Rensberg. All the money made out of it, is currently being deposited into four bank accounts which belong to four cooperatives that were formed by beneficiaries.

Other secondary are being investigated. DWAF demonstrated commitment in assisting the project with exit strategy to plant indigenous vegetation. Currently there are engagements with Moby Works, a company based in Johannesburg for the establishment of coffin manufacturing company. The beneficiaries will supply wood to the latter.

Over and above the latter, the project funders have assisted the beneficiaries to register cooperatives. For such entities are in place and each has its own principal objective. The Gauteng Economic Propeller is assisting to draw business plans and identify economic opportunities for the beneficiaries.

The names of the cooperatives that were formed are:

- Isintu Bead Works Primary Co-operative Limited
- Londindalo Environmental Management Primary Co-operative Limited
- Eight Star Laundry Primary Co-operative
- Maziphelelwe Upholstery and Design Primary Co-operative Limited

LAVEP has won the 2008 Kamoso award as the best provincial environmental project. Recently they were awarded the certificate of participation in the Land Care Aware Awards which were held from the 12- 17 July 2009 in Polokwane.

Comprehensive Rural Development

When the ruling party, ANC won the elections in 2009, amongst its focus points is the area of rural development. LLM by character is a peri-urban entity. One of its fundamental challenges in this area is to develop a strategy that will align its imperatives according the thrust of rural development. The Gauteng Provincial Government has identified LLM as one of the seven agricultural hubs in the whole province. The Department of Rural Development and Land Reform has initiated projects in the Municipality to discourage urban sprawl by procuring land on the farm Langzeekoegat, Portion 2, 325 IR. Sixty four beneficiaries have been approved and the property has been transferred to a legal entity in a form of a Trust. Conceptualization engagements will a wide range of government and parastatal stakeholders have started. The Municipality is expected to lead the planning process and consider this intervention in its strategic plan. Issues of planning for a proper and adequate settlement are being contemplated with an aim to come with a desired plan for a proper layout, infrastructure provision in the form of water, roads, sanitation, sports and recreation. The area of Devon has been identified as one of the site that National and Provincial Ministries have identified for the rollout of the CRDP. The launch took place in Devon in and around March 2011. a technical interaction was established to conduct a community survey, identify and roll out quick win projects, furthermore a council of stakeholders was also established to co-ordinate the project.

Plato Gauteng Mentorship Programme

This programme is the brainchild of the Voka Chamber of Business in Belgium. Its main object is to train SMMEs and is led by managers of major companies where groups of 15-20 companies are coached on business issues. The Gauteng Provincial Government has adopted this programme and formed its own chapter. All the Municipalities are involved including the Department of Economic Development which is represented by its agencies in the form GEDA, GEP and the Department of Local Government and Housing. The program is rolled out in conjunction with the representatives from the Voka Chamber of Business. Mentors were selected from local big companies like Standard Bank and in our case BATSA. Local Economic Development managers serve as coordinators while the sessions are facilitated by Mentors. Standard Bank needs to be applauded for the undivided commitment that they have shown to the program. Train sessions for SMMEs, Mentors and coordinators were conducted prior the resumption of the sessions in

Parys, Free State under the tutelage of Voka Chamber of Business. Project management is conducted in the form of the Gauteng Provincial Steering Committee and the Task Team.

In LLM, twenty one companies are registered and were selected on the basis of gender, turnover, geographical spread and local content. Consistency has been identified as one key area of concern in that some companies are of the expectation that the program will prioritise them for opportunities which is not the objective. During the current session three SMMEs were selected from each Municipality to attend a trade exhibition in Belgium but due to the fact that the applications were turned down by the Department of Trade and Industry, Municipalities (only three) and the relevant Provincial Departments attended. The exhibition was a tool to enhance networking. Some of the companies that were visited in Belgium are beginning to submit proposals of investing in South Africa. The program is a tool to promote SMMEs and boost local economic development. SMMEs are encouraged to network amongst themselves.

In March 2011, the first group graduated and the second intake was started where presently sessions are taking place through the aid of mentors from Standard Bank. Thirteen entrepreneurs are enrolled. Annually the programme promotes international events where members are invited to attend and share international experiences. In September 2011, an event was held in Serbia. Local Municipalities were invited to attend. Financial limitations are a major obstacle to fulfill this objective.

Informal Trading

Informal trading is one sector that has a vital contribution to the economy and needs to be regulated for the purpose of ensuring its growth. In LLM, its complexion, though not limited, takes the form of:-

- Backyard light industrial activity
- Spaza shops
- Eateries etc.
- Vegetables, fruits and crops

Challenges that have been identified for the advancement of this sector relate to land, finance, information and linkages. The Municipality has contributed to the development of the district wide informal trading development strategy whereby infrastructure is being developed for the sector. Regulatory issues in the form of by-laws are being investigated. Consultation processes are underway to address this matter. The main challenge in this area is the absence of organized formations, xenophobic tendencies and theft. While in Ratanda, eighteen stalls have been developed, twenty two are being rolled out for the Heidelberg CBD.

Housing

Lesedi Local Municipality strives to achieve the national target of eradicating the informal settlements by providing houses to poor communities by 2014. Lesedi work very closely with the Department of Local Government & Housing by providing the land and all necessary infrastructure to ensure successful housing delivery.

The housing backlog is currently estimated at 14 000 and this information is based on the number of people registered in the demand data-base.

Over the years the LLM has managed to deliver over 9000 houses and formalized 705 informal stands in the area. The municipality has been able to address about 60% of housing delivery backlogs, however due to continuous migration problems into the area, the housing backlog remains high. The LLM has put in place mechanisms to monitor & control land invasions in the area and a proper audit of all informal settlements was conducted by the service provider. Furthermore, the Department of Local Government & Housing has allocated R64,4 million for the construction of ±990 units in the 2010/11 financial year and this will assist in the reduction of the current housing backlog.

DESCRIPTION	MILESTONE	STATUS REPORT
KWAZENZELE	Two hundred and forty (240) housing units to be built	<ul style="list-style-type: none"> - The total allocation of houses in this project is Eighty nine 89 - The new contractor is expected to be on site by the end of October 2011 - There has been a challenge of late and short

DESCRIPTION	MILESTONE	STATUS REPORT
		<p>payments to the contractor which had a negative impact on the delivery of houses. Technical, Professional teams and coordination meetings are used to engage in discussions on such issues and remedial steps are taken to resolve problems.</p> <ul style="list-style-type: none"> - There is slow progress on site due to non payments. <p><u>Challenges</u></p> <ul style="list-style-type: none"> • Difficulties in obtaining Letters of Authority from the dependants. • In the second quarter, the contractor has been very slow though the Department of Local Government and Housing had improved on payments. • Non payment of sub contractors <p><u>Proposed Solution</u></p> <ul style="list-style-type: none"> • The Councilor, CDW and CLO have been assigned to attend to the affected beneficiaries. • Letters have been written to the Department of Local Government and Housing and meetings were held between Lesedi Housing Section and the DLGH to ask them to change the contractor as he was not willing to improve. Meetings were held between the contractor and the Department in order to resolve the matter. We are awaiting the Department to act drastically on the issue as it hampers service delivery. • The contractor has been asked several times to assist. Getting a new contractor may be the only solution.
IMPUMELELO	<p>One thousand two hundred and fifty nine (1 259) houses to be built.</p> <p>Phase 1: six hundred houses (600)</p> <p>Phase 2: six hundred houses (600)</p> <p>The remaining fifty nine (59) are still not allocated to any contractor</p>	<p>On both projects, the total allocation of houses is One Thousand and forty four (1044).</p> <ul style="list-style-type: none"> - Both contracts have been extended to 30 November 2010. However the final extension of time will be till the end of March 2011 and the contractor will be responsible for the professional fees if the project is not completed before the 30 November 2010. Progress in Impumelelo X 2 shows that the project will be finished by March 2011. - There has been a challenge of late and short payments to the contractor which had a negative impact on the delivery of houses. Technical, Professional and Project Steering Committee meetings are used to engage in discussions on such issues and remedial steps are taken to resolve problems. The project is at 83% towards completion. <p><u>Challenge</u></p> <ul style="list-style-type: none"> o There are eight (8) houses which cannot be accessed due to the heap which has been caused by the construction of the stadium.

DESCRIPTION	MILESTONE	STATUS REPORT
		<ul style="list-style-type: none"> There are houses with serious structural defects which are not yet occupied. Three (3) beneficiaries were moved out and housed temporarily in order to fix serious structural defects. <p><u>Proposed Solution</u></p> <ul style="list-style-type: none"> The Service Delivery Section is still unable to assist with grading due to financial constraints. The total amount required to execute this work is estimated at R95 000. The Department of Local Government and Housing has put a budget to solve the problem of structural defects and the contractor is currently fixing such defects.
KAYDALE	Two thousand two hundred and ninety units envisaged (2290)	<p>- The E.I.A (Environmental Impact Assessment) process has been finished. The Record of Decision has been received. Plans to negotiate land purchase will commence as soon as the Gauteng Department of Local Government and Housing (GDoLG&H) has given a go ahead.</p> <p><u>Challenges</u></p> <ul style="list-style-type: none"> The farm owner is selling the property to private owners <p><u>Proposed Solution</u></p> <ul style="list-style-type: none"> The Department has been requested to speed up the process of purchasing the land.
HOSTEL (CRU) REDEVELOPMENT RATANDA (1187) and (2261)	The project envisages a total of three hundred and sixteen (316) RDP walk ups and rental stock at 1187 in Ratanda and also Extension 16. In this financial year (1st April 2010- 31 March 2011) forty (40) RDP walk ups will be constructed at Shalimar Ridge Ext 16, which will accommodate both 1187 and 2261 hostel dwellers. A budget of R13,360,000.00 has been allocated by the Gauteng Department of Local Government and Housing (GDoLG&H) for the project.	<p>- <u>1187 Ratanda hostel:</u> The project has not yet started. It is meant to start as soon as the Gauteng Department of Local Government and Housing (GDoLG&H) has appointed a contractor. Tender processes are finished for Twenty Four (24) units at Ratanda Hostel (1187). Khatha – Khatha company has been appointed and will be introduced to Lesedi Local Municipality mid January 2011.</p> <p>- <u>2261 Nkitsing hostel:</u> Tender processes are finished for Thirty six (36) units in Shalimar Ext 16. Mangoba Projects company has been appointed and will be introduced to Lesedi Local Municipality mid January 2011.</p>
OBED MTHOMBENI NKOSI	This project is envisaged for development of Six Thousand (6000) mixed income residential stands.	Gauteng Department of Local Government and Housing has appointed Mascrete Group (PTY) LTD for the construction of three hundred

DESCRIPTION	MILESTONE	STATUS REPORT
	It is presently at phase 1. The Department of Local Government and housing has allocated a budget of R21, 524,798.00 which will allow for three hundred (300) Breaking New Ground (formerly known as the RDP) houses to be built in the present financial year.	<p>(300) houses at Obed "Mthombeni" Nkosi.</p> <p><u>Challenges</u></p> <ul style="list-style-type: none"> The contractor was expected to have built and finished one hundred and fifty houses by December 2010. To date, the contractor is battling with two (2) wall plates. <p><u>Proposed Solution</u></p> <ul style="list-style-type: none"> The Professional team (Power house) is engaging the Department to employ an experienced contractor to build one hundred and fifty (150), whilst Mascete takes the other one hundred and fifty (150).

Integrated Development Planning

The process plan was approved on the 31st August 2010 by Council for the review of 2011/12 IDP. A public notice was issued after the approval of the process plan to inform the stakeholders and to invite interested parties to submit their contact details in preparation of the forthcoming IDP engagements.

The analysis phase was completed during the month of September and October 2010 and the strategy as well as project phases are currently under way. It is anticipated that the draft IDP will be ready before the end of March 2011 as per legislative requirements.

It should be noted that the Department of Local Government and Housing did not meet its obligation of providing municipalities with adequate MEC Comments as promulgated in the act.

Spatial Development Framework (SDF)

The SDF was reviewed in line with the existing provincial and district's spatial development perspective. Incorporated within the SDF is the Nodal and Corridor Development Study which identified primary and secondary corridors and nodal points for future development within the area.

Allocation of amendment scheme

Numerous rezoning, sub-division and consent land-use applications are constantly submitted to Council for consideration. A target of four weeks has been set by the department to address all above mentioned applications.

Development application

The Department of Development and planning has made significant strides to reduce turn around times in the approval of development applications. Speedy approval of applications in this regard has contributed to a decrease in cost of doing business and has increased the number of investments attracted into the municipality.

ACTIVITY	PROGRESS	CHALLENGES	REMARKS
Township Establishment applications (In the pipeline and approved)	<ul style="list-style-type: none"> Proclamation for Heidelberg Extension 25 (Zone Of Opportunity) is expected by the end of January 2011. Remainder of Portion 4 of the Farm Boschhoek 385IR (area to the north of Ratanda in between Blesbokspruit and R42). Kaydale Extension 1 (area along R42). Jordaan Park (area northwest of Jordaan park). Sanitas Township (Hospital north of Bergsig). Rensburg Extension 3 (area in between Zuid Street and Railway line). Tamboekiesfontein Extension 1. (area in between N3 and old Alberton Road). Obed Nkosi Township. Vischkuil Extension 2. Jordaan park Ext's 1, 3, 4 and 5. Obed Nkosi Phase 1. Tamboekiesfontein. 	<ul style="list-style-type: none"> Access from R42 and Neighbouring property objection to be sorted out. Awaiting ROD and finalization of objections. Awaiting ROD and comments from Gautrans. Awaiting ROD. Awaiting Gautrans comments and issuing of license. None. Item will serve before Council in January 2011. Awaiting ROD and Gautrans comments. Awaiting submission of Phases 2, 3, and 4. Awaiting Mineral Rights Holder's consent. 	<p>MM and Marble Gold had various discussions with Gautrans.</p> <p>Item for approval is envisaged for March 2011.</p> <p>Item for approval is envisaged for April 2011.</p> <p>Item for approval is envisaged for April 2011.</p> <p>Item for approval is envisaged for March 2011.</p> <p>Item will serve before Council in January 2011.</p> <p>Item is expected to serve before Council in March 2011.</p> <p>Item could possibly serve middle 2011.</p> <p>The applicant has since passed away and the possibility of proceeding with the application is suspect.</p> <p>Approved by Council.</p> <p>Approved by Council.</p> <p>Approved by Council.</p>
Rezoning applications	<ul style="list-style-type: none"> 8 applications were received and approved. 	<ul style="list-style-type: none"> Objections were received for one of the applications. 	<p>The application that had objections was approved by Council after a hearing was held.</p> <p>The rest of the applications were approved within the turn around time of 4 months.</p>
Consent use applications	<ul style="list-style-type: none"> 9 applications were received of which 5 were approved and Environmental studies had to be done for 4 of the applications. 	<ul style="list-style-type: none"> ROD's on the 4 applications are still being awaited. 	<p>The 5 applications that were approved were done well within the turn around time of 4 months.</p>
Subdivision and Consolidation applications for proclaimed	<ul style="list-style-type: none"> 19 applications were received and 14 were approved and 5 are still pending. 	<ul style="list-style-type: none"> Some of the applications are affected by Gautrans roads and comments from that department is outstanding. 	<p>The approved applications were done within the turn around time of 2 months.</p>

ACTIVITY	PROGRESS	CHALLENGES	REMARKS
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Subdivision and Consolidation applications of Holdings and Farm Portions.	<ul style="list-style-type: none"> 4 applications were received and all of them were approved. 		The approval was done within the turn around time of 6months.
Land use contraventions	<ul style="list-style-type: none"> Land Use Survey was completed of the Holdings in Lesedi area and further action on all illegal activities will be undertaken. The vastness of the Lesedi Municipal Area makes the monitoring of the area by two officials virtually impossible and action is only given on complaints. 	<ul style="list-style-type: none"> Vastness of the area. Lack of staff. 	Hopefully we will be giving attention to this activity in the year 2011 as the Department will be taking on a Town Planning student for 11months and a Town Planner for 2 days a week.
Prospective Developers	<ul style="list-style-type: none"> Various discussions with prospective developers were taking place and the following developments are on the cards for Lesedi Municipal Area: <ul style="list-style-type: none"> Vopak Fuel Port; Oil tanking/Grinrod Fuel Port; Air products Acetyline Plant; Carlsberg Brewery; Disneyland Entertainment Park; Bio fuel Plant; and Shopping Centre in Ratanda 	<ul style="list-style-type: none"> Funding from investors for the projects is a major challenge. Infrastructure. Environmental sensitive areas. Land ownership. 	The over all perception is that the project will have positive spin offs for the whole of Lesedi.

Building Control

The department has taken note of the fact that many buildings may be incorrectly rated, or are not being charged at the correct tariffs, in part due to rapid change in use that has occurred over the past years. Through various notices, campaigns and direct interactions with property owners we will make sure that the correct rates and tariffs are being applied to every property in the area.

Vast improvement has been achieved regarding the turn around time for the approval of building plans. This is due the fact that structured meetings are held by-weekly with all signatories of building plans to look into various plans that are submitted. The number of plans that have been received between July and December 2010 and the revenue collected by Council are reflected in the table below;

MONTH	TOTAL PLANS SUBMITTED	TOTAL PLANS IN M ²	TOTAL REVENUE FOR THE COUNCIL
JULY	26	5697	R36 761-00
AUGUST	37	3856	R24 644-00
SEPTEMBER	44	4152	R40 049-00
OCTOBER	44	5416	R34 076-00
	307 (RDP)	12280	NIL
NOVEMBER	37	4143	R33 517-00

DECEMBER	24	4650	R23 874-00
TOTAL	519	40 194	R192 921-00

Rating and Comments on Service Providers;

RATING	QUALIFYING STATEMENT
1	Poor service
2	Acceptable service is provided, however a room for improvement exist.
3	Acceptable service is provided with limited problems that can be resolved acceptably between the parties.
4	Service provided is of high quality and excellent standard.

NO.	NAME OF COMPANY	RATING	COMMENT
1	BMF	3	Monthly reports are submitted on all activities around the area
2	Sakesibone Trading CC	4	Sakesibone's performance is highly commended and they have been cooperating very well with the project.
3	Nininani Investments CC	1	The project is experiencing problems with regard to continuous breakdown of the vehicle. This tends to disturb the project in a sense that workers end up arriving late for work.
4	Masakhane Industries	4	The company is excellent in terms of quality and delivery
5	Nomathesi Sikhosana General Supplies	4	They provide us with high quality product and they make sure that they deliver on time. This company also assist with technical advice on the products that they are selling to us
6	Sokuma Distributors Pty, Ltd.	4	They provide us with high quality product and they make sure that they deliver on time. This company also assist with technical advice on the products that they are selling to us
7	Impala	3	Their work is excellent.

COMMUNITY SERVICES

2010/2011 FINANCIAL YEAR

Cynthia Mokoena
Executive Manager:
Community Services

The following clusters falls within the competence of the Department of Community Services:

- ✎ Municipal Health Services
- ✎ Primary Health Care Services
- ✎ Social Development
- ✎ Municipal Buildings
- ✎ Parks and Cemeteries
- ✎ Sports, Recreation, Arts and Culture
- ✎ Library and Information Services
- ✎ Safety And Security

MUNICIPAL HEALTH SERVICES (ENVIRONMENTAL HEALTH SERVICES)

Municipal Health Services is rendered through the signing of SLA (Service Level Agreement) with SDM (***SEDIBENG DISTRICT MUNICIPALITY***) as from 1 July 2004. The future rendering of Municipal Health Service will be determined on the outcome of the MHS Strategy that has been conducted by Consultants appointed by Sedibeng District Council during the reporting period.

Municipal Health Services includes the rendering of the following category of services which are rendered within Lesedi Local Municipality:

Areas of MHS Function	Specific activities & details
Water Quality & associated monitoring & availability	<ul style="list-style-type: none"> • Mapping of water resources in relation to point or diffuse pollution sources. • Protection of water sources & resources through enforcement of Laws and regulations related to water quality management. • Monitoring of water reticulating system. • Water sampling and testing on field or laboratory (reference laboratory). • Implement health, hygiene awareness and education campaigns that relates to water supply and sanitation.
Food Safety & Hygiene monitoring	<ul style="list-style-type: none"> • Food inspection at production, storage, distribution and consumption. • Street vending monitoring and control. • Food premises inspection and control of statutory nuisances. • Enforcement of food Legislation and Codex Alimentations. • Promote the safe handling, storage and preparation of foodstuffs used in government institutions • Promote safe handling of meat and meat products, fish and fish products.
Waste Management & General Hygiene Monitoring	<ul style="list-style-type: none"> • Ensuring proper refuse collection, storage and disposal. • Liquid waste management including sewerage and industrial effluents. • Ensuring proper storage, treatment, collection, handling and disposal of health care waste and hazardous waste. • Sampling and analysis of any waste or product (sewage, refuse or other waste). • Investigation and inspections on any activity relating to the waste stream or any product resulting there-from. • Advocacy on appropriate sanitation (must be understood to have an element of motivating for program, projects and funding). • Control of the handling and disposal of diseased animal tissue.

Premises Health (All Built Environment) Surveillance	<ul style="list-style-type: none"> • Environmental Health Impact Assessment including Housing Projects and indoor air quality monitoring. • Assess factors like ventilation, lightning, moisture proofing, thermal quality structural safety and floor space (inclusive of inner city decay). • Assessment of any overcrowding, dirty or unsanitary conditions in any residential, commercial or other occupied premises including Child Care centers. • Prevention of unhygienic conditions or overcrowding of caravan parks, camping sites and holiday resorts. • Prevention and abatement of any condition on any premises which is likely to constitute a danger to health, including sick building syndrome.
Communicable & Environmental Related Disease Control & Monitoring	<ul style="list-style-type: none"> • Health and hygiene promotion aimed at prevention of environmentally induced diseases and related communicable diseases. • Collection, analysis and dissemination of epidemiological data and information. • Use of Participatory Hygiene and Transformation Training (PHAST) approaches for effective control measures at community level. • Epidemiological surveillance of diseases
Vector Monitoring and Control	<ul style="list-style-type: none"> • Application of measures under WHO (International Health Regulations Act 1974). • Identification of vectors, and their habits and breeding places. • Removal of remedying of conditions permitting or favoring the prevalence or increase of rodents, insect, disease carries or pests. • Residual spraying of premises. • Investigate the prevalence of zoonotic diseases and other vector borne diseases in the working and living environment. • Surveillance of imported cargo and livestock for the prevalence of disease vectors. • Serological tests of rodents, dogs and other pests. • Community awareness campaign on zoonotic disease & the control thereof by education and training.
Environmental Pollution Control	<ul style="list-style-type: none"> • Promotion hygiene working and living environments. • Identification of polluting agents and their sources. • Conducting of environmental health impact assessments. • Conducting of environmental health hazard and risk mapping. • Approval of environmental impact reports. • Promoting clean and safe air. • Control and prevention of noise.
Disposal of The Dead	<ul style="list-style-type: none"> • Control, restriction or prohibition of: <ul style="list-style-type: none"> ➤ The business of a funeral undertaker or embalmer ➤ Mortuaries and other places. ➤ Facilities for the storage of dead bodies. ➤ Treatment, removal or transport of dead bodies. • Regulating, control and prohibition of graves, cemeteries, crematoria and other facilities for the disposal of dead bodies. • Manage, control and monitor exhumation and reburial or disposal of human remains. • Monitor all premises handling radioactive material for compliance. • Ensure authorization of premises and effective control over materials and radioactive waste.
Radiation, Safe Energy-use & Transportation of radioactive waste, Monitoring & Control. Chemical Safety	<ul style="list-style-type: none"> • Ensuring proper lighting of all buildings and similar structures for human utilization. • Ensuring safety against any form or source of electro-magnetic radiation. • Listing of all operators: Fumigation firms, formal and informal retail premises, which deal with the manufacturing, application, transport or sale or storage of chemicals. • Issuing of licenses. • Facilitating pesticide and/or chemical safety advice and education and training.

An audit of all food Premises, general businesses and industries was done again during the reporting period and the database was updated.

Informal traders as well as formal food shops are continuously trained in food safety to ensure that food sold will not have a negative impact on the Health of any member of the Community.

Informal Pre – Schools were inspected and premises that complied were issued with Health reports. Most of the premises for informal crèches and Pre Schools have improved and all owners are capacitated in terms of minimal requirement for operating the facilities. Almost 98% of our ECD Centre receives subsidies from the Department of Health and Social Development.

A baseline was developed for initiation schools to comply with the proposed by – laws with the aim of preventing the spread of diseases as well as to prevent deaths during initiation school period. The by-laws has not been promulgated by Sedibeng yet. A Monitoring team consisting of relevant stakeholders is in place. We do however still encounter problems with initiation schools not adhering to the guidelines of the proposed by-laws, resulting in unnecessary deaths among the initiates.

Pro-active services rendered on Environmental Health is excellent to and no outbreak of any communicable /transmittable diseases occurred in our area. An Outbreak Response Team consisting of local role players within the health sector has been established. The local Outbreak Response Team link directly with the Provincial Outbreak Response Team.

A Sampling program is in place for taking water, milk and food samples.

Water 288 and 88 milk samples taken and all samples taken complied with the legislative standards.

A Partnership was formed with veterinary services regarding meat control. This partnership needs to be re-lived, with specific reference to the managing of game meat.

There is also a partnership with Dairy Standards to improve the quality of dairy products, especially milk distributed within this area. Milk samples are taken in line with the Dairy Standard program.

Inspections conducted during the reporting period:

	2009/2010	2010/2011
Food Premises:	804	1058
General Dealers:	1107	1662
Street vendors:	191	443
Creshes:	360	545

All complaints were attended to within 24 hours after receiving the complaint and 98% of complaints were resolved.

Lesedi also took part in the Blue Drop Water monitoring program. The evaluation during the reporting period went well and even though Lesedi did not obtain a Blue Drop Certification, the overall score went up from 43% to 87%.

AIR QUALITY

- Lesedi has been included in the Highveld Priority Airshed area. The status quo report for the Highveld area has been finalised and the Draft Management Plan has been finalised. .

Sedibeng District Municipality and the different Councils within its jurisdictional area is in the process of determining powers and functions of the two spheres of government. Sedibeng will definitely be responsible for the licensing of emitters in terms of listed activities. In addition to this, we are also in the process of developing by-laws with regard to Air Quality control. Sedibeng in conjunction with the B Local Authorities are in process of developing by-laws on Air Quality.

In addition to the above, a project called "Clean Fires" was launched in Lesedi on 14 June 2010. The aim of this project is to teach people the correct method of making fire when coal is used. By using the correct method, less smoke is generated resulting in less air pollution by conventional fires. 7170 Households were reached during the reporting period on teaching residents on the correct way of making coal fire

1.2. PRIMARY HEALTH CARE SERVICES

The following are the primary health care clinics within the Municipal area:

- Rensburg clinic
- Usizolwethu clinic
- Jameson Park clinic
- Ratanda Clinic
- Vischkuil clinic
- Heidelberg clinic
- Extension 7 clinic
- Extension 26 Clinic

Core free Primary Health Care Services are rendered from five permanent and one satellite facility managed by the Municipality and from two permanent facilities which are managed by the Provincial Health Department. Services rendered are:

- Anti and Post natal services, TB (Tuberculosis), EPI (Expanded Program Immunization), HIV and AIDS, STI (Sexually Transmitted Illnesses), Geriatric clinic, Rehabilitative services, Counseling (VCT – Voluntary Counseling and Testing, PMTCT – Prevention of Mother to Child Transmission, TOP – Termination of Pregnancy), Oral Services, Mental Health, etc.

The HCT campaign is still implemented at all clinics.

Vit A, De-worming and polio campaigns were done at all clinics in line with National directive.

Additional Primary Health Care Nurses, Clerks and cleaner were appointed by Gauteng Health and Social Development during the reporting period.

Even though additional positions were created and filled, we still encounter challenges to render an excellent service to the community.

Supervisory -, In Depth -, Regular Review and Red Flag review inspections are conducted monthly and quarterly in line with the program. All gaps identified in the service, during these inspections are addressed.

An audit was conducted at all clinics by consultants appointed by Gauteng Health and Social Development. Additional gaps were identified during the audit and does the identified gaps form part as standing item on the Facility Manager's meeting that is held monthly. The gaps will remain on the agenda until such time it has been resolved.

Patients that used the different facilities are as follows:

	2009/10	2010/2011
Ratanda Clinic:	26 646	30008
Rensburg Clinic:	9 336	11111
Jameson Park Clinic:	4 203	4362
Ratanda Extension 7 clinic:	11 690	13165
Heidelberg Extension 23 clinic:	9 386	12278
Vischkuil Clinic:	7 847	6526

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CLINIC COMMITTEES

Clinic committees have been established at all clinics. Members were recruited with the active involvement of the political part. Training was arranged for members. The term of office for members is one year. We will ensure that members are trained and fulfill their role within the health system during the coming financial year.

1.3. LESEDI HIV & AIDS STATUS

Using the status of Sedibeng District's Antenatal Survey as our baseline, we have seen a 35% prevalence rate in 2006; 32.8% in 2007; 31.8% in 2008; 28.9% in 2009. With the HCT Campaign that is currently going on, the December 2010 Statistics reflect that out of 636 people that have

tested, 162 are HIV positive of which 96 are males & 66 females. Like other Districts and Metros, Lesedi has interventions that are geared towards the mitigation of this scourge and the amelioration of the lives of the people of the Municipality. The following structures and strategic interventions have been put in place:

Structures

- The Workplace Committee which facilitates the implementation of the Workplace Program and the Workplace Policy. This also encompasses the Employee Health & Wellness as well as interacting with the Occupational Health & Safety Committee.
- NGO Funding Committee, which verify, assess and recommend NGOs for Provincial approval. These committees follow the prescribed criteria for funding. The funded NGOs would then render various services in terms of education, treatment, care and support.
- The Local Aids Council which displays a leadership role and oversee the implementation of the AIDS Strategy. The Council also mobilizes, advocate and lobby community, different structures and business support for HIV&AIDS.
- Intersectoral HIV&AIDS Committees with clear roles and responsibilities for each sector to assist reduce the spread. E.g. NGO's; Faith Based Organizations; Men's Forum; Traditional Healers etc.
- Interdepartmental Committees that assist in streamlining HIV&AIDS activities in their respective Departments as required by the National, Provincial and District mandates
- Ward Based Programs implemented by HIV&AIDS Ward Coordinators in their respective wards

Interventions at Health Facilities

- Sexually Transmitted Infections Management and Treatment (STI's) @ the Hospital & all Clinics
- HIV Counseling and Testing (HCT) @ Hospital, all Clinics & some NGO's
- Prevention of Mother To Child Transmission (PMTCT) @ All Clinics
- Tuberculosis (TB) and TB / HIV Collaboration @ Hospital & All Clinics
- Antiretroviral Therapy (ART) @ Sizanempilo, Usizolwethu & Ratanda Clinics
- Post Exposure Prophylaxis (PEP) @ Heidelberg Hospital

These are the Health Facilities within the Lesedi Area:

- Heidelberg Hospital
- Sizanempilo Clinic
- Heidelberg Clinic
- Rensburg Clinic
- Ext 23 Clinic
- Ext 7 Clinic
- Ratanda Clinic
- Jameson Park Clinic
- Vischkuil Clinic
- Usizolwethu Clinic
- 3 Mobile Units

These are the NGO's within the Lesedi Area:

DEVON / IMPUMELELO

- Siyaphila Home Based Care – Home Based Care
Ms Ethel Bhunu (0790276696) 101 Ikwezi Street, Impumelelo, Devon
- Bring Hope – Support Group & Orphans & Vulnerable Children (OVC)

- Mr. Steven Mokoena (0767712819) 10 Ikwezi Street, Impumelelo, Devon
- HEAPS – Treatment Adherence & Nutritional Supplements
- Ms Lindi Sikabade (0176880598) 4 Derwig Street, Old Standard Bank Building, Devon

VISCHKUIL / ENDICOTT

- Boiketlo Community Based Care – OVC – Cynthia Skosana (0781787668)
78 Melman Road, Endicott / Vischkuil 1574
- Boiketlo – Home based Care – Vivian Majola (0736553536 /0117301021)
116 Melman Road, Endicott / Vischkuil 1574
- St. Martin De Pores Development Project – Drop In Centre –
Ntswaki (0725174039) Plot 18 First Avenue, Endicott / Vischkuil
- Vulamehlo Organisation for disabled

RATANDA EXT. 7 / 8

- Ikhono Care Group – Home Based Care, OVC, Support Group
Mr. Skhosana (0838563111) 5053 Ext 7 Ratanda, Heidelberg 1441
- Thuthukani Association for the disabled

RATANDA EXT. 23/26

- Osizweni Care & Support Group – OVC
Ms Mamhau Mqwathi (0730037632) 3731 Mthombeni Street, Ext 23
- Indawo Yosizo – Home Based Care
Marnet (016 341 3338) Apsey Street, Heidelberg

JAMESON PARK

- Mohau Wa Bophelo – Support Group for the PLHIV's
Johanna Ncala (0827354265) 329 Smuts Ave. Jameson Park
- The Fort Community Project – Youth Development, OVC, Management of Lesedi Care
Centre, Mentoring & Coaching.
Buyiswa Mabaleka (07962504069) 3131 Jumna Street, Shalimar Ridge
- Kopanong Luncheon club (Ms Sophie Vilakazi – 078 792 2187)

RATANDA

- Bambanani Organization for the Physically & Mentally Disabled
Ms Khumalo (0729436453) 2865 Nkitsing Street, Old Spoornet Hostel, Ratanda
- The Light of Hope – Education & Awareness – HTA Programme
Ms Martha Mahlangu (0839229567) 318 Mazibuko Street, Ratanda
- Lebone – Drop In Centre
Mr. Sthembiso Radebe (0835285026) P.O. Box 74, Heidelberg 1438
- Othandweni Association for the Disabled
Ms Comfort Matekane (0761924316 / 0163437513) 1263 Heidelberg Rd.
- SANCA – Education & Awareness on Drug and Alcohol Abuse
Ms Suzette Nel (0163492892) 42 Smit Street, Heidelberg, 1438
- SAMAG (South African Men's Action Group) Men's Forum
Mr. Moses Tsotetsi (0163437708 / 0767096735)
P.O. Box 965, Heidelberg 1438
- Ratanda old age home 2865 Nkitsing street Ratanda – Ms Dineo Mngomezulu 082 970
4316
- Ratanda Day Care Centre for the aged : Mr Thabo Mofokeng 079 489 0372
- Phelang Luncheon Club – Mrs Suzan Seaga – 082 351 0214
- Itireleng Sewing Project

2. ROLES AND RESPONSIBILITIES OF STAKEHOLDERS

STAKEHOLDER	ROLES AND RESPONSIBILITIES
Local Municipality	Co-ordinate and implement local Programmes
Department of Health & Social Development	Drive Health-oriented programs i.e. HCT, PMTCT, TB, ART, PEP, STI's, NGO Funding and children, women, elderly, disabilities & youth services
Department of Education	Drive skills-based education schools and also assisting in the identification of orphans and child – headed houses
Department of Labour	Transfer poverty alleviation skills to people infected and affected by HIV&AIDS
Department of Home Affairs	Assist with birth certificates and ID's in order to access social grants
SRAC	HIV&AIDS prevention programs - Sports against AIDS
Department of Agriculture	Skills for food gardens for the PLHIV's and indigents
Department of Transport	Prevention & treatment programs for employees, truckers, bus & taxi industry
Department of Correctional Services	Prevention, treatment, care & support for inmates & employees
Faith Based Organizations	Moral, prevention, care & support programs within churches & members of the congregation in the community
Traditional Healers	Prevention, care & support programs. Referral system
People living with HIV	Human rights issues, prevention, treatment, care & support programs
Women	Drive women empowerment issues
Men	Lead in Men in Action Against HIV&AIDS, women & children abuse and values
NGO's / CBO's	Prevention, treatment, care & support programs. HBC, hospice beds, peer education, drama & high risk areas
Unions	Prevention, treatment, care & support programs including employees, employer mobilization and workplace program
Business	Workplace Programs & social responsibility
Local Municipality	Co-ordinate & implement local programs
District Multisectoral AIDS Directorate	Facilitates, co-ordinates, develops policies and provide technical and tactical support to all stakeholders

3. CONDOM DISTRIBUTION

578 190 male and 13 585 female condoms distributed

4. LESEDI CARE CENTRE

The Fort Community Project has entered into a Service Level Agreement with the Municipality to run the Centre on behalf of Lesedi Municipality. They are currently providing the community with initial start up projects: Vegetable gardens and supplying patients at the Clinic; Life Skills; HIV Counseling and Testing; Spiritual Counseling & Support. The latest developments have been they are currently funded by Health & Social Development to Mentor, monitor and manage 25 Lay Counselors and run the HIV High Transmission Areas Program. The Centre has also taken responsibility of being the Primary Site for Condom Distribution for the entire Lesedi. This has been by virtue of being centrally placed in Lesedi and also has adequate storage for a bulk consignment of condoms. They have sent out a number of proposals requesting for donations in order to equip the Centre.

5. ACHIEVEMENTS

5.1. Workplace Program

- 06/08/2010: Exhibition at British American Tobacco > 36 males & 48 females reached. 96 pamphlets and 50 female condoms distributed.
- 12/08/2010: Exhibition, HIV Counseling & Testing and Motivational Talks for Lesedi Women employees. 160 employees reached.
- 26/01/2011: HIV&AIDS Presentation to 35 new employees during the induction session.
- 14/02/2011: Office to Office Campaign for 50 employees during Valentine's Day.

5.2. Training and Workshops

- 28 – 30/09/2010: Personal Financial Management Training for 153 NGO and community members.
- 26&27/05/2011 : 20 Traditional Healers trained on HIV, TB and Integrated Management of Childhood Illnesses
- 26/05/2011: Workshop on STI / HIV High Transmission Areas and Condom Logistics for 45 NGO Members.

5.3. Events & Campaigns

- 02/12/2010: 30 youth members were addressed on life skills during their planned event at Ext 7.
- 03/12/2010: World AIDS Day Event at Jameson Park. All 70 people tested for HIV and only 3 tested positive and were referred to the Clinic.
- 30/11/2010 : Establishment of Vegetable Gardens ; donation of clothes to the clinic and the painting of Vulamehlo (NGO) Building during the 16 Days of Activism on No Violence Against Women and Children at Devon
- 03/12/2010 : 177 Lesedi Children who are on ARV and Chronic Treatment bussed to Kopanong Hospital where they were served with food, played and given presents.(Bucket of Love Project)

14 – 11/02/2011: During the STI / Condom week, a total of people were reached targeting Ratanda, Ext 23, Ext 7 and Shalimar & Heidelberg Taxi Ranks.

No. of Women reached: 1 295

No. of Men reached: 1 275

No. of Youth reached: 578

No. of Disabled reached: 146

No. of Pamphlets distributed : 14 772

No. of Condoms distributed : 31 290 (Males)

: 4 257 (Females)

- 13/05/2011: 65 Heidelberg Correctional Services Members attended the Candle Light Memorial Session during their parade time.

5.4. Door to Door Campaigns

- February / March 2011
- 06 – 10/06/2011: 10 908 houses visited ; 8 320 males & 9 750 females reached ; 234 referrals made ; 28 130 male, 1 778 female condoms & 6 646 pamphlets distributed.
- 13 – 20/06/2011: 5 944 houses visited; 6 036 males & 8 622 females reached; 100 referrals made; 5 700 male, 262 female condoms & 2 886 pamphlets distributed.

5.5. Indigent Burials

Financial assistance in indigent burials for 7 children @ R800.00 each and 24 adults @ R1 400.00 each.

5.6. Local AIDS Council Quarterly Meetings

After the Launch of the Local AIDS Council in May 2010, there has been Consistency in organizing the quarterly meetings (08/10/2010 and 01/03/2011)

5.7. Project: Men as Champions in Reproductive Health > Men's Forum

- 27/11/2010: 20 men reached during a mobilization workshop in Jameson Park.
- 16/04/2011 : 42 men reached through a workshop in Vischkuil
- 28/05/2011 : 53 men attended a Launch of the Men's Forum in Devon

5.8. SA AIDS Conference

The activities mentioned hereunder range from Registrations; Official Opening & Welcome; Presentation Sessions running concurrently; Exhibitions; TB Screening & HIV Counseling & Testing on site; Entertainment & finally the Official Closure of the Conference. These are some of the presentations attended by the Coordinator during these parallel sessions. Presentations can also be accessed on the following website: www.saaids.com or E-mail sec@saaids.com

6. CHALLENGES

The advent of HIV&AIDS has presented the Country with enormous challenges. Some of the challenges are inherited from the past. The Municipality is faced with more challenges, but for this purpose below is the brief outline of some of the challenges:

6.1. Macro-Challenges

6.1.1. Political commitment

This is very vital, as this will lead to the communities of Lesedi to rally behind their leaders. It is not that there is no commitment; rather the emphasis of their much-needed support is imperative and crucial.

6.1.2. Funding of HIV&AIDS Program

Inconsistent Funding from the Department of Local Government & Housing to run the Municipal HIV&AIDS Program impacts on the progress made. E.g. No funds have been received for the Financial Year 2010/11.

Ward HIV&AIDS Coordinators rely on the very funding hence they are on contractual basis whereas they are a great need in the implementation of Ward Based Programs

The Municipality should consider employing them on a full time basis.

Very few NGO's in Lesedi are funded by Department of Health & Social Development

Delay in payments of NGO's funded by Health & Social Development impacts on HCT Services at our health facilities as well as HBC Services in our Communities

6.1.3. Poverty alleviation

This is one crucial contributory factor to HIV infection and the increase in the impact of AIDS. Collaboration with other departments and sectors will alleviate the burden of the disease and improve the lives of indigent people.

6.1.4. Unemployment

It is an open secret that the rate of employment is still low, though the rate in Lesedi is relatively above the other Districts and Metros. Unemployment in itself degrades the status of men in particular, who in turn resort to unfavorable social behaviors like rapes and crime

6.1.5. Status of women and children

They are vulnerable to all sorts of abuse.

This results in them unintentionally being the victims of this scourge. Different women and children initiatives need concerted efforts and improved coordination for a common goal. Local Program Against Children (LPAC) should form the center stage for children service delivery.

6.2. Micro-challenges

6.2.1 Strengthening Program Coordination and Management

It is important that all activities are effectively coordinated and managed. The program needs a dedicated coordinator for all the levels. Lesedi as a Municipality should speak in one voice in issues relating to HIV&AIDS/TB. There should be synergy in all the levels within the Municipality for effective and cost-effective use of resources.

6.2.2. Strengthening the control and management of Sexually Transmitted Infections

This is one of the most essential components in the fight against HIV&AIDS. The effective case finding and management of partners/contacts will assist ameliorate the lives of the communities. Much as there is a need for awareness of HIV&AIDS, the STI awareness and management forms an integral part in the struggle

6.2.3. Management of HIV&AIDS TB

It is a fact that HIV&AIDS and TB cannot be divorced. Initiatives geared towards managing dual infections should be urgent and be treated as emergencies

6.2.4. The Place of Work

It is time to consider the workplace environment as the target for HIV&AIDS awareness. This will enhance the employer/employee relation, reduce stigma, improve disclosure and increase participation

6.2.5. Institutions of higher learning

Most of the vulnerable age groups are housed in these institutions. Failure to infiltrate them will result in the Municipality producing a cadre of incumbents who would not enjoy workplace and contribute to the economy.

6.2.6. Businesses

HIV&AIDS awareness should be multi-pronged, one element being the businesses. The decrease in the economy due to HIV&AIDS will affect their profits, thus their importance in the fight against this scourge.

6.2.7. Integrating HIV&AIDS into the Primary Health Care Setting

It is important that the facilities are able to manage opportunistic infections and are aware of networking structures outside the health facilities for improved quality care

1.4. PARKS AND CEMETERIES

Temporary labourers were appointed during the reporting period to assist to clean Ratanda- and Ekuthuleni Sub Regional cemeteries. Weed killer was also applied during this period. Grave blocks were also expanded at Ekuthuleni Sub Regional Cemetery.

Funerals conducted during the financial year:

	2009/2010	2010/2011
Kamp	109	101
Ekuthuleni	822	855
Ekuphumuleni	115	123
Devon	1	1
Muslim/Hindu	9	3
Total:	1056	1083

Trees were planted around Lesedi Local Municipality on a regular basis and a new park was also developed at Impumelelo.

Sidewalks, parks, sports grounds and cemeteries were maintained in line with the approved Maintenance Program. Five maintenance teams, each supervised by a Special Workman forms the maintenance team.

Vacant stands were cut at least twice during the growing season. Notices requesting owners of vacant stands to clean the stands were sent out. All stands, of which the owners did not comply, were cleaned by this section and accounts were issued accordingly. All Council owned vacant stands were also cleaned regularly.

Weed killer was applied to sidewalks and paved areas and invasive trees like Blue gum and Blackwattle were irradiated along roads and open spaces.

Street trees were pruned under electrical cables as well as branches reaching over fences and roads to ensure proper street visibility as well as to prevent any electrical incidents.

Complaints were taken care of on a daily basis.

Cemetery Data were regularly captured. Monthly reports and other administrative duties were taken care of.

The occurrence of Red and Orange Data listed plants in the Lesedi Local Municipality area were monitored in collaboration with GDACE.

1.5 SPORTS, ARTS CULTURE & LIBRARY SERVICES

INFRASTRUCTURE DEVELOPMENT

An application for the development of Jameson Park sports field and the upgrading of existing sporting facilities was made to the National Lottery Distributing Trust Fund.

An amount of R 6 030 000.00 was approved by Lottery to construct and upgrade the following sporting facilities:-

Impumelelo Sport field: Restoration of the grass, upgrading and construction of combo courts; ablution block, palisade fencing and pavilion.

Devon: Upgrading of the netball and tennis courts; ablution block and installation of palisade fencing.

Jameson Park: Construction of a new sport facility.

Union Sport facility: A netball ablution has been altered to a clubhouse to accommodate both netball and cricket sporting codes.
A shelter for cricket players has been constructed to accommodate reserves and a coach

Ratanda stadium: Practice field has been upgraded through social funds from Coca Cola Valpre Company.

Swimming Pools: The swimming pool dub Impumelelo and Ratanda are being maintained regularly by Vlam du Preez chemicals on every Mondays of each week. The water clarity is very good and green and algae are under control. Pumps, filter and vacuum system are in good working condition. PH=7, 6 is within a desired range. Pools acids are constantly supplied to reduce the PH into desired range.
Lifeguards appointed on contractual base during the swimming season i.e 1st September -30 April

SPORTS, RECREATION ARTS & CULTURE DEVELOPMENT

Arts & Culture Interim Committee: has been established and aim thereof is to gear to the establishment of an institution or partnerships that will focus resources in areas that enable the successful partnering with organizations that have artistic and cultural development capacity and the will to further this capacity.

Sports Council: Lesedi Sports Council has been established and launched in April to continue to address all sporting needs in the community by coordinating programmes that promotes sports.

Ishashalazi: The theater art form group participated to the scheduled auditions with an aim of being selected to compete in Grahamstown competitions/events.

National Arts Council: The National Arts Council was invited to do presentations to the Arts and Culture Organization on how to apply for funding to sustain their

programmes, bursaries application forms were also distributed to students in furthering their studies in Arts and Theater.

SACR Collaboration: A joint working plan is been developed for collaboration, cooperation and integration which will be an outcome of joint planning and implementation. Programme thereof includes

Sports and Recreation

Mass Participation programme; Sports development and coordination; School sports; Competitive Sports

Arts and Culture

Creative Arts; Creative industries; Heritage, museum and monuments, language and geographic names.

Learn to swim Programme: The programme is undertaken in conjunction with Swimming South Africa. School going children from the age of 1- 4 are targeted. Unemployed Youth interested in swimming are set to be trained to become trainers and to develop swimming clubs.

Lesedi Municipality staff involved in sports participated in the O. R. Tambo Inter Municipal Games hosted by the West Rand District Municipality and won second place in Netball, fourth prize in pool, fifth place Injuva (male) and fifth for Golf (open).

Athletic competition: Road relay was staged in conjunction with Heidelberg Athletic Club.

Mayor's Golf Challenge: The Mayor's Golf Charity tournament was hosted on the 10th September 2010 and the aim thereof is to fundraise so as to assist the vulnerable sectors within the community.

A. LIBRARIES

i. Goals

- Redress and equality
- Social and economic development.
- Social cohesion
- Poverty eradication.
- Nation building
- Entrenching a culture of reading.
- Developing a national literature in S.A's indigenous languages.

ii. Objectives

- Support and stimulate the social, economic, educational, cultural, recreational, scientific research, technological and information development of Lesedi.
- Provide optimal access to relevant information to every person in an economic and cost effective manner.
- Promote basic and fundamental literacy, information literacy, and a culture of reading.
- Harness new information and communication technologies (ICT) to achieve improved integration, equity, cost effectiveness and quality in Library and Information Services.
- Make available the National Documentary Heritage and facilitate access to the world's information resources to all, including people with disabilities.
- Provide for the preservation of the National Documentary Heritage and provide conservation services.

iii. Challenges of Libraries in Lesedi

- Lack of policies and strategy to integrate libraries into the communities.(e.g. Multi-purpose centres and Friends of the Libraries.)
- Deployment of resources according to need and personnel according to merit and skills.
- The Library Practitioners have to reflect how the Library and staff can be an agent of development and change in the country.
- The vital developmental role of Libraries in all aspects of education.
 - Helping familiarize babies with books
 - Support students
 - Adult basic education and training
 - Development and implementation of Reading Programs.

Users of Libraries have to be developed to use them more effectively and potential users have to be made aware of services that libraries offer them.

- The education and training of library staff has to be addressed.
- Equipping the Libraries with the necessary technology and the capacity to use technology, both to facilitate the work of the Library and to provide access to electronic information to users.
- The shortage and the lack of suitable resources in languages of the potential library users also limit the access to information and services of the library.
- The unavailability of staff to serve people in their own languages limits access to libraries.
- Visibility of libraries in all sectors is poor and should be reassessed to address poverty with the information and services they render.
- The eight Batho Pele principles should thus become a foundation for the norms and standards guiding service delivery in the country. The principles include:
 - Consultation
 - Access
 - Courtesy
 - Information
 - Openness and transparency
 - Redress; and
 - Value for money

B. Information and Services

Hours

Administration 08:00 - 09:00

Community

Rensburg
Shalimar Ridge
Jameson Park 09:00 - 13:00
Devon 14:00 - 17:00

Heidelberg
Vischkuil
Impumelelo
Ratanda 09:00 - 17:00

Ratanda Extension 7

Mon/Tue/Fri
Wed/Thu

09:00 - 12:00
13:00 - 17:00

Saturdays

Heidelberg
Vischkuil
Impumelelo
Ratanda

09:00 - 11:00

Services provided in the libraries:

Books in the libraries

Library	Number of books (Currently in library)
Heidelberg	44284
Rensburg	12717
Shalimar Ridge	5873
Jameson Park	4876
Vischkuil	7981
Devon	6416
Impumelelo	7353
Ratanda	11054
Ratanda Extension 7	1550
TOTAL	102104

Computers in the libraries (For community use)

Library	Number of computers
Heidelberg	4
Rensburg	4
Shalimar Ridge	4
Jameson Park	4
Vischkuil	4
Devon	3
Impumelelo	7
Ratanda	8
Ratanda Extension 7	0
TOTAL	38

C. Functionality

	Members				Circulation			Other Usage			Internal Users			Programs	
	Pen	Adt	Chl	Tot	Adt	Chl	Tot	Int	Ext	Tot	Ref	Stu	ICT	No	Att
Heidelberg	260	670	489	1419	38347	6500	44847	1651	211	1862	1492	8618	1800	28	337
Rensburg	85	177	196	458	14081	3581	17662	2222	349	2571	1215	1100	1433	32	247
Shalimar Ridge	1	67	104	172	414	1377	1791	218	88	306	55	563	505	21	112
Jameson Park	4	32	64	100	1911	2025	3936	292	29	321	266	5569	1370	20	108
Vischkuil	30	98	160	288	2292	1660	3952	845	217	1062	708	892	1018	37	384
Devon	3	4	11	18	1523	350	1873	225	6	231	175	479	787	17	177
Impumelelo	0	23	65	88	807	725	1532	642	4	646	570	582	310	23	164

Ratanda	1	156	547	704	1791	1258	3049	317	23	340	1220	6276	2637	26	290
Ratanda Extension 7	0	6	25	31	0	99	99	0	0	0	0	922	0	0	0
TOTAL	384	1233	1661	3278	61166	17575	78741	6412	927	7339	5701	25001	9860	204	1819

Finances (Conditional Grants Received)

DAC FUND: R 3 500 000.00
Equitable Share: R 820 000.00

ii. Training

UNISA: Story Hour (4 candidates)
UKS: Basic Circulation (7 candidates)
UPCYCLE: Recycling (all staff members)
NWU Vaal Triangle (17 staff members)

E. New Service points

i. Vischkuil Library

- Opened 29 July 2010
- Operational 1 August 2010
- Staff 1 Librarian (contract)
- 1 Library assistant (permanent)
- Books 7981
- Computers (internet) 4 (average 160 users per month)
- Copy/Fax Machine
- Audio/Visual system
- Members 290 (128 Adult / 162 Children)
- Circulation 3952 external
8417 internal
- Programs (Toddlers, Youth, Adults and Pensioners)
 - Reading
 - Holiday
 - Outreach
 - Community

ii. Ratanda Extension 7

- Opened 1 April 2011
- Hours Monday / Tuesday / Friday 09:00 - 12:00
Wednesday / Thursday 13:00 - 17:00
- Staff 1 Library assistant (permanent)
- Books 1550
- Copy/Fax Machine
- Members 18
- Circulation 99 external
2840 internal
- Programs
 - Reading
 - Holiday
 - Outreach
 - Community

1.5. SOCIAL DEVELOPMENT

Social Work services rendered were divided into Case Work and Community Development Work. Sedibeng District Municipality in conjunction with the B Local Authorities are in process of developing a framework in terms of legislation whereby Social Services will be rendered at local level in future. It must also be noted that Social Development Services rendered at Local Authority level is Non Statutory.

INTAKE

Social Workers began the process of seeing clients at level where the problem is established and intervention done to assist clients. Depending on the problem, the process may continue until it is resolved or end at intake level.

- **COUNSELLING**

Services were offered to clients who needed it, for example, marital problems, abused children, uncontrolled children, victims of domestic violence.

- **ACCOMMODATION**

Services were rendered for frail and destitute elderly who have no one to look after. The elderly are then admitted in the institutions where they are cared for.

- **INDIGENTS**

Apart from the normal indigent data capturing, Indigent Funerals is also the competency of the Social Workers. Community members who are unable to bury their loved ones who have passed away are assisted accordingly after the necessary investigations have been conducted. Thirty one **households** were assisted by council for burials during the reporting period. During the reporting period DLG funding was utilised for the payment of this service but Lesedi Local Municipality did make provision in their operational budget as from 2011/12 financial year to cover the expenditure with own funding.

Indigents who were unable to pay for their services due to the fact that their income is below Lesedi's set minimum living level of 2x the current state pension per month, were registered after they were approved by the social workers and Screening Committees appointed in the different wards. A subsidy to the amount of R150 per month for municipal services was subsidised to the households that were approved.

At least 2335 households applied to be registered as indigents and 1606 households were approved.

ELDERLY LUNCHEON CLUBS

Efforts have been made by the Department to organize all the elderly of Lesedi into Luncheon clubs, to create a platform where they can discuss, share and face their challenges together. Presently Ratanda, Heidelberg Jameson Park and Devon are organized

ACTIVITIES/WORKSHOPS/CAMPAIGNS

- Disabled Workshop 31 July 2010
- Women in Sport 11 August 2010
- Dialogue on gender Based Violence 21 August 2010
- Women's Day SAPS (Gods Acre) 27 August 2010
- Women's Day Employee Networking Event 03 September 2010
- 16 Days of Activism: Partnership with GDARD and GDED at Devon 30 November 10
- 16 Days of Activism for No Violence against Women and Children Abuse: Dialogue on Gender Based Violence and HIV & AIDS among the Youth: Ratanda Youth Center 2/12/2010
- Child Protection Week: 01/06/2011: Effort Primary School & Masizake Primary School, Kraal (Total of 275 learners attended)
- School Holiday Program: 1 Program at Qhaqholla Primary School (29/06/2011) and 1 Program @ Sithokomele Primary School (30/06/2011)

Statistical Information:

	2009/10	2010/11
Indigent Applications Received:	1621	2335
Indigent Applications Approved:	1207	1606
Indigent Applications Disapproved:	414	208
Indigent Funerals:	29	31

INTAKE:

	2009/10	2010/11
Social Problems:	1306	3100
Marital Problems:	33	12
Drug Dependency:	4	2
Children/Youth – PWD:	18	88
Referrals:	9	10

1.6. SAFETY AND SECURITY

The section of Safety and Security is responsible for Fire, Rescue, Hazmat, Humanitarian Services, Traffic Services, Road Traffic Engineering Services as well as ensuring the Security of Municipal buildings.

OPERATIONS

Fire Safety

The Fire service within the section Safety and Security embarked on fire safety inspections and risk analysis visits to businesses and public to try to ensure compliance and to make staff members aware of the dangers faced when they have to deal with fire etc. We further embark on public information education relations sessions at schools and businesses, to make people aware of the dangers of fires and to educate and establish good relations with our communities. Our Centralized Control Centre deals with emergency calls, general complaints, water and electrical complaints and any other calls that come in from time to time and there after referred to relevant departments. The water, electricity and other complaints are mostly handled after office hours. The control center operates 24/7.

Our current average turn out time to fire rescue and emergency calls was under 3 minutes standing at 2.0 minutes, and our average response time to emergencies was less than 20 minutes standing at 12.30 min.

42 Public Information Education Relations session were conducted for businesses, advising them on Fire Safety.

- **6** external courses were attended by fire fighters.
- **183** internal training sessions were carried out that included all disciplines.
- **302** Fire calls attended to ,
- **61** Rescue calls were attended to.
- **479** Motor vehicle accidents were attended to.
- **11** Hazardous Material Incidents responded to.
- **80 238** Calls were handled by the Control Room.
- **37** Fire Rational designs were completed.
- **133** Fire Hydrants were Serviced and maintained.
- **146** Fire Safety Inspections were done.
- 104 Risk Assessments were completed.
- **6** Fire breaks were conducted (This is dependent on the fire danger rating and this year it remained particularly high) when the rating is high fires are not allowed to be started.

Traffic

We embarked on speed law enforcement, visible policing road blocks, moving violations law enforcement as well as ensuring that road users and pedestrians can make use of our roads with safety by erecting road traffic signs and painting and maintaining traffic road marking in our area.

- 2550 Traffic Fines including Speed Measuring notices (tickets) were issued
- Engaged in scholar patrols in conjunction with Gauteng Road Safety Directorate

Scholar Patrol Point Duties: (Patrols)

- All our registered schools regarding scholar patrols are trained on scholar patrol.
- 702 Road traffic signs were Installed in our areas;
- Painted approximately **16** kilometers of road
- All pedestrian crossings and speed humps that were erected were also painted.
- **17** Road Blocks were conducted
- **147** Funeral Escorts were done
- **90** Heavy Duty Transport Escorts were done

PRIVATE PROVIDERS: PERFORMANCE 1 – Low**2 – Moderate Some Concern****3 – Moderate****4 – High**

N	SUPPLIER	RATE	BUDGET/COMMENT
1.	Photocopy Machines : A. ITEC B. SHARP	3 4	Slow Response Time Limited Telephonic Support Acceptable Response Time Contract expired during 2011.
2.	Municipal Buildings : Steiner Hygiene	4	Acceptable response. Contract renewed during 2011.
3	Civitas System for data input for Traffic services	3	System is running well and when support is needed telephonic arrangements are made. Problems encountered with invoicing from Civitas
4	Reabeleng Provide Security Services to Council	4	Service improving steadily.
5	Cleaning of Municipal Buildings Seohai Building and Construction	3	Progressing well. Contract period expired in 2011. In process of appointing a new company for this purpose.

Fire Safety

The Fire service within the section Safety and Security embarked on fire safety inspections and risk analysis visits to businesses and public to try to ensure compliance and to make staff members aware of the dangers faced when they have to deal with fire etc. We further embark on public information education relations sessions at schools and businesses, to make people aware of the dangers of fires and to educate and establish good relations with our communities. Our Centralized Control Centre deals with emergency calls, general complaints, water and electrical complaints and any other calls that come in from time to time and there after referred to relevant departments. The water, electricity and other complaints are mostly handled after office hours. The control center operates 24/7.

TARIFFS REVIEWED

Renting of Municipal Buildings
Swimming Pools
Cleaning of vacant stands
Cemetery Tariffs
Use of Sports Fields

POLICIES REVIEWED

Indigent Policy
Use of Sport Facilities
Indigent Funeral Policy



CORPORATE SERVICES ANNUAL REPORT

2010/2011

DEPARTMENT OF CORPORATE SERVICES

- The department comprises out of three sections namely: Corporate and Legal, Human Resources and Information technology and Communication.

CORPORATE AND LEGAL SECTION

- The section represents the administrative hub of Council, documents storage, safekeeping, archiving and legal advice to Council.
- There are three components that make up Corporate and Legal section namely; Records Management and Archives, the Administrative pool and Legal Advice office.

RECORDS AND ARCHIVES

- The Records and Archives section has processed enormous correspondence of Council as captured on various registers.
- The printing / photocopying room of Council is based at Records. Significant printing, scanning, filing and photocopying that supports the work of Council happens at this section. Massive Photocopying and distributing on a monthly basis includes the agenda of Council committees stated as follows:
 - Council
 - Mayoral Committee
 - Section 80 committees i.e. Development and Planning, Community Services Service Delivery and Finance and Admin. The section 80 committees are four, aligned to departments.
 - Development and Planning tribunal (section 79 committee) as and when required of it to sit
 - Tender or bid committees i.e. Bid Specification Committee, Bid Evaluation Committee and the
 - Bid Adjudication Committee.
 - Performance Audit Committee

- The manual processing of correspondence and all registered mail proved too cumbersome to manage and a paperless system was introduced in order to automate Council correspondence. A dual system was kept for sometime in the implementation of the new paperless system. Quidity system has been stepped up mid 2010 in order to reduce the prevalence of the manual control sheets in the municipality and ultimately phase out the control sheets completely.
- The smooth functioning of the paperless quidity system hinges on the efficient scanning of all Council correspondence that comes into the municipality for the preservation of the documentation as well as for forwarding to the relevant personnel for assessment and finalization.
- All archived material is scanned for preservation in the electronic form and agreements for easy retrieval when needed. No effort is spared in ensuring that we have two functional scanners at all times to ensure the smooth operation in this regard but the municipality has managed to keep one operational at this stage and another will be salvaged owing to quidity system link problems to the Fijutsi 5520 scanner.

CHALLENGES

- Chief amongst challenges in this section has seen personnel mail sourcing needlessly and thus hampering administrative chores by delivering such individual mail instead of directing such post to private residential addresses of employees and this conduct needs to be curtailed.
- Loss of control sheets became rife when no returns were experienced. Now the electronic paperless quidity preserves mail and no losses only misdirected mail can be attested to, which is often corrected.

ADMINISTRATION

- This section is pivotally the administrative hub of Council in compiling the agenda and minutes of all committees including the ward committees as well as processing written correspondence.
- The Council and its committees have had a schedule of meetings approved each year in January, the agenda is been reproduced and distributed for each sitting.
- Council sits once a month, Mayoral committee sits twice a month (ordinary and special sittings); Bid Specification, Bid Evaluation and Bid Adjudication meetings serve monthly on availability of bids for adjudication. The Performance Audit committee meetings sit quarterly.
- Challenges experienced were largely the copiers that are too old to support the municipal administrative hub when copier contracts near completion. The copiers were replaced in January 2011 and will be replaced again by end of January 2015 on the appointment of the successful bidder.

LEGAL ADVICE SERVICES

- Corporate Services has seen the establishment of the Legal Advice office in the municipality since July 2007
- The appointment of the legal advisor minimised external referrals on legal matters and contracts were initiated and concluded internally for departments to implement
- Critical legal functions have been performed e.g. drafting of deeds of lease, sale, property transfers, regulation 38 certificates and removal of restrictive conditions certificates and legal opinions amongst others
- Old and new by-laws were retrieved and documented for revision on Council Resolution [L.MC.-353/08/2008](#)
- Currently by-law revision is internally driven and the by-laws are published on approval by Council, only by laws with significant amendments get published for compliance and public consumption. The Challenge experience is enough funds to publish the by-laws in the Government Gazette and to implement it successfully thereafter. By-law enforcement officers have already been trained in order to issue penalties after implementation.
- Legal advice is critically important to Council, Mayor's office and various municipal departments.
- This post is currently vacant due to a Disciplinary Case that was referred to SALGBC on reviewal a temporary legal advisor who worked previously for Council is assisting Council with legal advice on a month to month appointment until the Dispute is resolved.

- A plethora of local government legislation has come through since the year 1994, that has brought a whole range of compliance issues in the last five years and the importance of legal advice cannot be over-emphasized. Amongst others such critical legislation can be summarized as follows: The Local Government: Municipal Finance Management Act; Municipal Structures Act; Municipal Systems Act; Municipal Property Rates Act and The Constitution Act coupled with the necessary amends in each piece of legislation
- The prosecutorial ability of the legal department has from inception ensured that the maintenance of discipline in the workplace are of a supportive nature by delivering support to the Human Resource Section regarding Disciplinary Cases as either prosecutor or presiding officer.
- The Accident Committee was set up and firmed for screening different forms of personnel misconduct or deviant behaviour in managing municipal assets like vehicles and disciplinary action or action will be referred to the Human Resource Section to deal with.
- Minimal acts of land expropriation have been handled with province for land acquisition in the interest of the public by way of RDP housing, a case in point is the expropriation of land owned by Mrs Lydia Minnaar that gave way to the Obed Nkosi housing project covering 7,400 housing units and three schools in Ratanda

HUMAN RESOURCE SECTION

- **Job Creation, capacitation and empowerment of Community, Officials and Councillors:**

- During 2010 The ISETT SETA, Bula and Lesedi Partnership granted 40 Learners and 10 Interns the opportunity to obtain workplace experience for one year after completion of courses. 15% of the Learners have been employed and 30% of the Interns have been employed.
- During 2010 5 Officials attended some Payday Modules and completed it successful in order to work smarter and not harder. 7 Officials was trained on Law Enforcement NQF Level 4 in order to ensure the By Laws are implemented and that they are registered as Peace Officers to issue penalties. 18 Officials was trained on Project Management by SQ Data on NQF Level 5 working towards a Diploma.
- Training was also conducted with Supervisors on how to manage people and discipline in the workplace.
- Training was conducted during 2011 with cleaners in order to provide them with skills to perform their job better.
- Workshops was also conducted with Supervisors/Managers on Disciplinary matters by the LR/IR Officer
- Training was conducted by Bruniquel and Associates on Chairing and Prosecution in order to adhere to the new Disciplinary Collective Agreement of April 2010

HUMAN RESOURCE SECTION

VACANCIES CURRENT

Community Services:

Tractor Driver Manager: SRAC General Worker: Ratanda Swimming Pool

Finance:

Assistant Accountant: Budget and Reporting Assistant Accountant: Assets and Risk Senior Clerk
Procurement

Service Delivery:

Senior Manager Electrical

MM 's Office:

Executive Secretary & MM

Development and Planning:

Environmental Officer , Housing Development Officer

Corporate Services:

Executive Manager & Legal Advisor

APPOINTMENTS

DESIGNATION	DEPARTMENT	SECTION	APPOINTMENT DATE
Driver	MSS	Corp & Legal	1-May-11
General worker	SD	Water, Sanitation & Waste	1-May-11
General Worker	SD	Water, Sanitation & Waste	1-May-11
General worker	SD	Water, Sanitation & Waste	1-May-11
Senior Environmental Health Officer	CS	Health	1-May-11
General worker	SD	Night Shift	1-May-11
Cashier	Finance	Finance	1-May-11
General Worker	SD	Waste	1-May-11
General worker	SD	Waste	1-May-11
Tractor Driver	CS	Parks	1-May-11
Special Workman	CS	Parks	1-May-11
Traffic Officer	CS	Traffic	1-Jul-11
Civil Engineering Technician	SD	Water, Sanitation & Waste	1-Jul-11
Accountant: Assets and Risk	Finance	Finance	1-Jul-11
Cleaner	CS	Municipal Buildings	1-Jul-11
Accountant: Budget and Reporting	Finance	Finance	1-Aug-11
Library Assistant	CS	Libraries	1-Sep-11
Manager: Revenue and Credit Control	Finance	Revenue and Credit Control	1-Sep-11
General Worker	SD	Waste	1-Sep-11
General Worker	Sd	Waste	1-Sep-11

DESIGNATION	DEPARTMENT	SECTION	APPOINTMENT DATE
HR Provisioning Officer	MSS	HR	1/4/2010
IDO Co-Ordinator	Development and planning	DP, Local Area Planning and Environment	1/4/2010
Assistant Accountant: Budget	Finance	Management Accountant	1/4/2010
Assistant Accountant: Assets	Finance	Management Accountant	1/4/2010
1 Year Contract : Librarian	Community Services	Libraries	1/1/2010
From 3/8 to 5/8 Position Assist Librarian	Community Services	Libraries	1/4/2010
From 5/8 to 8/8 Position Assist	Community Services	Libraries	1/4/2010
From 5/8 to 8/8 Ass Librarian	Community Service	Libraries	1/10/2010
Plant Operator Vischkui	Service Delivery	Water, Sanitation & Waste	2/1/2010
1 Year Contract : Librarian	Community Services	Libraries	2/1/2010
Tractor/ Truck driver	Service Delivery	Water, Sanitation & Waste	3/1/2010
Supervisor/ Driver Refuse Removal- Devon	Service Delivery	Water, Sanitation & Waste	3/1/2010
Senior Clerical Assistant	Finance	Finance	4/1/2010
Labourer	Community Service	Parks	4/1/2010
Labourer	Service Delivery	Roads & stormwater	5/3/2010
Senior Technical Assistant	Service Delivery	Sewerage	6/1/2010
Committee Clerk	MSS	Corp & Legal	9/1/2010
Secretary	MSS	Corp & Legal	9/1/2010
Tourism & Investment Co-ordinator	Development and planning	DP, Local Area Planning and Environment	10/1/2010
Accountant: Revenue	Finance	Finance	10/1/2010
Skills Development Facilitator	MSS	Corp & Legal	10/15/2010
Manager - Roads & Stormwater	SD	Roads & stormwater	11/1/2010
Assistant Librarian - Devon	CS	Sports & Recreation	12/15/2010
General worker: Roads & Stormwater	SD	Roads & stormwater	1/1/2011
General worker: Roads & Stormwater	SD	Roads & stormwater	1/1/2011
Driver: Devon	SD	Roads & stormwater	1/1/2011
General Assistant(Mechanical)	SD	Roads & stormwater	1/1/2011
Assitant accountant: Assets & Risk	Finance	Finance	1/1/2011
HR Admin	MSS	HR	1/1/2011
General worker	SD	Electrical	1/1/2011
Assistant Librarian - Ratanda	CS	Sports & Recreation	1/1/2011
Senior Clerk: Debtors	Finance	Finance	1/02/2011
Senior Clerk: Income	Finance	Finance	1/02/2011
Labourer	CS	Parks	1/02/2011
Labourer	CS	Parks	1/02/2011
General worker	CS	CS	15/02/2011
General worker	SD	Water, Sanitation & Waste	1/03/2011
General worker	SD	Water, Sanitation & Waste	1/03/2011
General worker	SD	Water, Sanitation & Waste	1/03/2011
General worker	SD	Water, Sanitation & Waste	1/03/2011
Manager - Roads & Stormwater	SD	Roads & stormwater	1/03/2011
Manager: Supply Chain , Expenditure and Salaries	Finance	Finance	1/03/2011
CFO	Finance	Finance	1/03/2011

HUMAN RESOURCE SECTION

RETIRED/PENSIONED

- Assistant Librarian CS Libraries 10/31/2010
- Cleaner - Municipal Buildings CS Mun Buildings 12/31/2010
- Tractor Driver SD Waste 12/31/2010
- Assistant Librarian CS Libraries 1/4/2011
- Driver CS Parks 4/30/2011
- General woker SD 4/30/2011
- General worker: Devon SD Waste 7/29/2011
- Shift Man SD Waste 8/15/2011

MEDICALLY UNFIT/MEDICALLY BOARDING

1 person

Busy with another two

RESIGNATIONS

Driver Devon SD Waste Man 5/02/2010
Electrician SD Electricity 31/01/2010
Chief Credit Control Finance Finance 4/1/2010
Committee Clerk MSS Corp & Legal 6/30/2010
Secretry- MSS Corp & Legal 25/06/2010
Snr Technical Assistant Sd Sewerage 3/1/2010
SCM & Expenditure Finance SCm 12/15/2010
Manager: Roads & stormwater SD Roads 31-Jan-11
Deputy CFO Finance Finance 27-May-11
Manager: revenue and Credit Control Finance Finance 2-Jun-11
Assistant Librarian CS Libraries 31/07/2011
Senior Clerk Finance Finance 19/07/2011

HUMAN RESOURCE SECTION

- **General:**

- The following policies was compiled served at the Local Labour Forum and was implemented

- Dress Code Policy
 - Study Assistance Policy
 - Occupational Health and Safety Policy
 - Bereavement Policy
 - Exit Interview document
 - Training and Development Policy
 - Succession Planning and Career Pathing Policy
 - EAWP Policy
 - HIV/Aids Policy
 - Cell phone Allowance Policy
 - Recruitment Policy
 - Different IT Policies
 - Standard Operating Procedures was compiled for control mechanisms
 - The Acting Allowance Policy
 - The minimum essential services agreement
 - Standing Operating Procedures on leave

HUMAN RESOURCE SECTION

- **General:**

- The following legislative requirements was adhered too:
 - Compiled a Work Skills Plan and Report was submitted every year on time and implemented
 - Compiled a Employment Equity Plan for a 5 year period which must be revised 2012
 - Compiled a Employment Equity Report every year and submitted it timeously and monitored
 - Compiled an HR Business Contingency Plan which must be revise every year
 - Compiled an HR Disaster Recovery Plan which must be revised every year.
 - Lesedi paid 1% levy for Skills Development as required.
 - Conducted training on Competency requirements as per Treasury Regulation
 - Conducted Skills Audit and in process of conducting HR Audit
- The following transformed changes were brought about:
 - Top structure transformed from three white males to two white males of which one Section 56 post is vacant and one black female and three black males of which one Section 57 post is vacant and .
 - Heidelberg library was white females only which changed to three black females and two white young females and one contracted black female and one white contracted male.
 - In Service delivery there was no senior females, only white males, Lesedi transformed to have two black females in senior positions and four senior black males.
 - Lesedi got a Award for the most transformed Municipality

HUMAN RESOURCE SECTION

- **General:**

- The following disciplinary hearings took place:
 - 2009/10
 - 3 x Theft – Dismissed with costs
 - 1 x Assault – Dismissed
 - 1 x Gross insubordination – Dismissed
 - 1 x Disrespectful behaviour and Awol & Deliration of Duties – Dismissed
 - 1 x Insubordination – Final written warning
 - 1 x Awol – Final written warning
 - 2010/11
 - 1 x Gross deliration of duties – in process
 - 1 x Deliberate absent – in process
 - 1 x Gross negligence – in process
 - 1 x Drunk on duty – in process
 - 1 x Gross dishonesty – in process

HUMAN RESOURCE SECTION

- **General:**
- 1 x Labour Court case await final judgement
- 2 x SALGBC case in process of being dealt with

The case was referred to the SALGBC the arbitrator ruled in favour of IMATU, however the arbitrator did not have jurisdiction to do so because it would have a national impact. The case was then appealed and it was referred to Labour Court and it was only heard Feb 2011 Council awaits the final judgement.

A reconciliation committee was established but after everything was dealt with the Labour component representatives changed and requested to start afresh the employer maintained that the principle of no work no pay stand and that it then affects leave days, medical aid contributions, pension contributions as well as bonus payment. SAMWU referred the case to SALGBC who referred it back to the employer where after labour refused to come to the table.

ADHERENCE TO TREASURY REGULATIONS ON COMPETENCIES

31 out of 40 officials in Finance is competent of which 5 officials is on NQF Level 6 , 5 Officials is on NQF Level 5 however Council aim to have all of the officials at least on NQF Level 5 in the Finance Section.

TRANSFORMATION

% Women in total staff establishment 26.65% still need to improve
 % Women in Section 57 Management 16.66% still need to improve
 % Previously disadvantaged groups in total staff establishment 92.29% still need to improve
 % Previously disadvantaged groups in Section 57 management 66% still need to improve
 % Employees with disabilities in total staff establishment 1.45% still need to improve
 % Section 57 employees with disabilities 16.66%
 % Unfilled posts as a percentage of total staff component 4.40% can still improve to less than 1%
 % Unfilled section 57 posts 33.33% need to improve
 % Section 57 who under went leadership training 50%
 % Councillors who undergone leadership training 60%

TRAINING AND DEVELOPMENT

ADHERENCE TO TREASURY REGULATIONS ON COMPETENCIES

31 out of 40 officials in Finance is competent of which 5 officials is on NQF Level 6 , 5 Officials is on NQF Level 5 however Council aim to have all of the officials at least on NQF Level 5 in the Finance Section.

The following legislative requirements was adhered too:

- § Compiled a Work Skills Plan and Report was submitted every year on time and implemented as per annexure
- § Compiled a Employment Equity Plan for a 5 year period which must be revised 2012 as per annexure
- § Compiled a Employment Equity Report every year and submitted it timeously and monitored as per annexure
- § Conducted training on Competency requirements as per Treasury Regulation
- § Conducted Skills Audit and in process of conducting HR Audit with Cogta who is in possession of the reports.

INFORMATION TECHNOLOGY

- Our municipal IT has been outsourced on a three year contract and we are now mid stream on the second term of the contract with Business Connection.
- Business Connection supports the IT infra structure of the Lesedi Local Municipality. Of the six member personnel in IT, BCX has deployed four and the Municipality has two for skills transfer purposes.
- The outside municipal offices were all converted to radio link from Telkom (ISDN lines).
- Achievements'
 - 1). Managed to get Lesedi's networks upgraded from 56K lines to 300MB including all backbones at a lower costs R30K instead of R680K to keep it stable and fast
 - 2). Managed to get stores, workshop, Ratanda already working on the newly installed switchboard, rest of the sites are also coming soon
 - 3). Managed to procure the long needed Domain server that will strengthens our security levels according to ICT governance (setup still ongoing)
 - 4). Resolving the web hosting that forever switching lesedi's website off.
- Wishes'
 - 1). Get two more servers,
 - Intenda server R20K
 - Prepaid system R30K
 - DR server for evenus R30K

- Furthermore, the main switchboard has been upgraded from an LG 300 to a LG 600 (increase from 250 to 560 lines). Flowing from this upgrade, a number of the municipality's outside offices were having dedicated telephone lines with additional rental and minimal control on their usage. The upgrade made it opportune for the municipality to cut the direct lines to the outside offices and link all those offices to the main switchboard, so that those offices could be monitored on an individual pin code based usage. Our telephone expenditure can be monitored and effectively controlled as it were. Those outside buildings are Vischkuil, Kwazenzele, Devon / Impumelelo, Ratanda and Endicott.
- The intranet still needs a significant amount of work and this can only be achieved by appointing a Contractual Web Developer.
- The maintenance of IT contracts has been managed sufficiently and those contracts can be detailed as follows:
 - Switchboard system (Hymax)
 - Licensing of software
 - Payday
 - Org Plus
 - E-venus and cash drawer (BCX)
 - Symantic end-point
 - Web page
 - The above contracts are maintained and annual fees paid on time. Hardware and software support is fully maintained on a need basis.

IN CONCLUSION

- The previous Tower collapsed from the Heidelberg high site and it took Council seven months to re-instate the tower due to high replacement costs as only equipment was insured but not the steel structure
- Upgrading and management of the website
- Upgrading the switchboard and its IT system Development and Installation of the Intranet
- The website has been upgraded and finalised by the end of term and it's fully functional. Various departments need to visit the website from time to time and upload their information in order to optimally populate it meaningfully, for the benefit of the users.
- The switchboard has been upgraded to allow outside callers to direct their calls to departments that they need to address their concerns and matters to, by way of options to choose from when calling. Time spent on the line by the operator when assisting one caller is prejudicial to the other callers that are on line and thus having options brings a sigh of relief to callers by selecting options sought for immediate attention.

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT.

WORKFORCE PROFILE AND CORE & SUPPORT FUNCTIONS

1. WORKFORCE PROFILE

1.1 Please report the total number of **employees** (including employees with disabilities) in each of the following **occupational levels**: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

1.2

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2			2	1						5
Senior management	4			2	3			2			11
Professionally qualified and experienced specialists and mid-management	8	1		7	13			11			40
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	27			15	10		1				53
Semi-skilled and discretionary decision making	78	4		13	45		1	11			152
Unskilled and defined decision making	182				36						218
TOTAL PERMANENT	301	5		39	108		2	24			479
Temporary employees	14	1		5	34	1		3			74
GRAND TOTAL	315	6		44	142	1	2	27			537

1.3 Please report the total number of **employees with disabilities only** in each of the following occupational levels:
Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management				1							1
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents				1							1
Semi-skilled and discretionary decision making	1										1
Unskilled and defined decision making	1				2						3
TOTAL PERMANENT	2			2	2						6
Temporary employees											
GRAND TOTAL	2			2	2						6

2. Core Operation Functions and Support Functions by Occupational Level

A job could either be a **Core operation** function or a **Support** function. **Core operation Function** positions are those that directly relate to the core business of an organization and may lead to revenue generation e.g. sales production, etc. **Support Function** positions provide infrastructure and other enabling conditions for revenue generation e.g. human resources corporate services etc.

2.1 Please indicate the total number of employees (including people with disabilities), that are involved in **Core Operation Function** positions at each level in your organization only. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management				2							2
Senior management	2				2			1			5
Professionally qualified and experienced specialists and mid-management	2			2	1						5
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	19			10	5						34
Semi-skilled and discretionary decision making	34	3		5	15		1	6			66
Unskilled and defined decision making	111				11						122
TOTAL PERMANENT	168	3		19	33		1	5			229
Temporary employees	5	1		5	8			3			22
GRAND TOTAL	173	4		24	41		1	8			251

2.2 Please indicate the total number of employees (including people with disabilities), that are involved in **Support Function** positions at each level in your organization. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	2				1						3
Senior management	2			2	1			1			6
Professionally qualified and experienced specialists and mid-management	6	1		5	13			10			35
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	8			5	5		1				19
Semi-skilled and discretionary decision making	44	1		8	30			8			91
Unskilled and defined decision making	71				25						96
TOTAL PERMANENT	133	2		20	75		1	19			250
Temporary employees	9				26	1					36
GRAND TOTAL	142	2		20	101	1	1	19			286

SECTION C: WORKFORCE MOVEMENT

3. Recruitment

3.1 Please report the total number of new recruits, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1										1
Senior management											
Professionally qualified and experienced specialists and mid-management					1						1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	1			1	3		1				6
Semi-skilled and discretionary decision making	26			4	34	1		4			69
Unskilled and defined decision making	23				3						26
TOTAL PERMANENT	37			4	33		1	4			79
Temporary employees	14			1	8	1					24
GRAND TOTAL	51			5	41	1	1	4			103

4. Promotion

4.1 Please report the total number of promotions into each occupational level, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management											
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making											
Unskilled and defined decision making											
TOTAL PERMANENT											
Temporary employees											
GRAND TOTAL											

5. Termination

5.1 Please report the total number of terminations in each occupational level, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management					1						1
Senior management	1										1
Professionally qualified and experienced specialists and mid-management	4				11						15
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3			2	5						10
Semi-skilled and discretionary decision making	24			1	31	2		6			64
Unskilled and defined decision making	53				28	1		3			85
TOTAL PERMANENT	38			1	34			6			79
Temporary employees	47			2	42	3		3			97
GRAND TOTAL	85			3	76	3		9			176

5.2 Please report the total number of terminations, including people with disabilities, in each **termination category** below. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Terminations	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Resignation	13			3	17			3			36
Non-renewal of contract	62	1			57	3		6			128
retrenchment – Operational requirements											
Dismissal - misconduct	3			1							4
Dismissal - incapacity	1										1
Retirement	6										6
Death	1				1						2
TOTAL	86			3	76	3		9			176

SECTION D: SKILLS DEVELOPMENT

6. Skills Development

6.1 Please report the total number of people from the designated groups, including people with disabilities, who received training **solely** for the purpose of achieving the numerical goals, and not the number of training courses attended by individuals. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management									
Senior management				1	2			1	4
Professionally qualified and experienced specialists and mid-management	1			1	1			1	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	29			17	38			10	94
Semi-skilled and discretionary decision making	5			4	15		1	2	27
Unskilled and defined decision making	20				3				23
TOTAL PERMANENT	55			23	57		1	14	152
Temporary employees									
GRAND TOTAL	55			23	57		1	14	152

6.2 Please report the total number of **people with disabilities only** who received training **solely** for the purpose of achieving the numerical goals, and not the number of training courses attended by individuals. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management									
Senior management									
Professionally qualified and experienced specialists and mid-management									
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents				1					1
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
TOTAL PERMANENT				1					1
Temporary employees									
GRAND TOTAL				1					1

SECTION E: NUMERICAL GOALS & TARGETS

7. Numerical goals

7.1 Please indicate the numerical goals (i.e. the workforce profile) you project to achieve for the total number of employees, including people with disabilities, at the end of your current employment equity plan in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites:

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management					1						1
Senior management											
Professionally qualified and experienced specialists and mid-management					1						1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	1		1	1	1					6
Semi-skilled and discretionary decision making	5				5	2		4			16
Unskilled and defined decision making	1	1	2	2	29	1	1	1			38
TOTAL PERMANENT	8	2	2	3	37	1	1	1			62
Temporary employees											
GRAND TOTAL	8	2	2	3	37	4	1	5			62

7.2 Please indicate the numerical goals (i.e. the workforce profile) you project to achieve for the total number of **employees with disabilities only** at the end of your current employment equity plan in terms of occupational levels.

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1										1
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making	1				1						2
Unskilled and defined decision making	2				1			1			4
TOTAL PERMANENT	4				2			1			7
Temporary employees											
GRAND TOTAL	4				2			1			7

8. Numerical targets

9 of 12 EEA2

8.1 Please indicate the numerical targets (i.e. the workforce profile) you project to achieve for the total number of employees, including people with disabilities, at the end of the next reporting in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management					1						1
Senior management											
Professionally qualified and experienced specialists and mid-management					1						1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	1		1	1	1					6
Semi-skilled and discretionary decision making	5				5	2		4			16
Unskilled and defined decision making	1	1	2	2	29	1	1	1			38
TOTAL PERMANENT	8	2	2	3	37	4	1	5			62
Temporary employees											
GRAND TOTAL	8	2	2	3	37	4	1	5			62

8.2 Please indicate the numerical targets (i.e. the workforce profile) you project to achieve for the total number of **employees with disabilities only** at the end of the next reporting period in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management											
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making											
Unskilled and defined decision making	1										1
TOTAL PERMANENT	1										1
Temporary employees											
GRAND TOTAL	1										1

SECTION F: MONITORING & EVALUATION *(This section is not applicable to small employers)*

9. Disciplinary Action

9.1 Disciplinary action: (report the total number of disciplinary actions during the twelve months preceding this report). Report on formal outcomes only. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

DISCIPLINARY ACTION	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	

10. Awareness of Employment Equity

10.1 Please indicate which of the following awareness measures were implemented by your organization:

	Yes	No	No. of employees covered
Formal written communication		x	
Policy statement includes reference to employment equity	x		All
Summary of the Act displayed	x		All
Employment Equity training		x	
Diversity management programmes		x	
Discrimination awareness programmes		x	

11. Consultation

11.1 Please indicate which stakeholders were involved in the consultation process when developing and implementing your employment equity plan and when preparing this Employment Equity Report:

	Yes	No
Consultative body or employment equity forum	x	
Registered trade union (s)	x	
Employees		x

Number of Pension Funds Organisations.

- 1 Joint Municipal Employees Pension Fund;
- 2 Municipal Gratuity Fund;
- 3 Municipal Employees Pension Fund;
- 4 Germiston Pension Fund;
- 5 South African Municipal Workers Pension Fund ;and
- 6 South African Local Authority Pension Fund.

Number of Medical Aid Schemes

- 1 Bonitas;
- 2 Munimed;
- 3 SAMWU-Med;
- 4 LA Health;
- 5 Global Health; and
- 6 Hosmed.

Council honours all its responsibilities towards the timeous payments of subscriptions to both the medical aid schemes and the pension funds organization.

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Audit Committee Report

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2011.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet four times per annum as per its approved terms of reference. The Audit Committee convened four times during the year on the following dates: 21 August 2010, 20 November 2010, 19 February 2011 and 21 May 2011.

Name of member	Number of meetings attended
R S LOUBSER (Chairperson)	4
H C BOTHA (Public Participant)	4
G CLARKE (Public Participant)	3

The composition of the Audit Committee is not in accordance with the new Audit Charter of the Lesedi Local Municipality and the King Report on Corporate Governance as the municipality has been unable to appoint one other public participant.

Audit committee responsibility

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of section 166(2) (a) of the MFMA. We further report that we have conducted our affairs in compliance with this charter.

The Audit Committee reports that it has complied with its responsibilities and has adopted appropriate formal terms of reference in its charter in line with the requirements of section 166(2)(a) of the MFMA. The Audit Committee further report that it has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the municipality over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management letter of the Auditor General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations there from. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The Audit Committee guided the internal Audit unit in the preparation and implementation of the annual audit plan. The internal Audit function has been outsourced to Siswe Ntsabula.

The quality of in year management and monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act.

We are satisfied with the content and quality of monthly and quarterly reports prepared and issued by the auditors of the municipality during the year under review.

Evaluation of annual financial statements

The Audit Committee has:

- Reviewed and discussed the 2011 audited annual financial statements to be included in the annual report, with the Auditor General and the Chief Financial Officer;
 - Reviewed the Auditor General of South Africa's management letter for 2011 and management's response thereto;
 - Reviewed changes in accounting policies and practices;
 - Reviewed significant adjustments resulting from the audit.
-

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Audit Committee Report

The Audit Committee concurs with and accepts the conclusion of the Auditor General of South Africa on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General of South Africa.

Internal audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

Auditor General of South Africa

The Auditor General of South Africa issued an unqualified Audit Report on the 2011 financial statements.



Acting Chairperson of the Audit Committee

Date: 2012-03-19



LESEDI
LOCAL MUNICIPALITY / PLAASLIKE MUNISIPALITEIT

Lesedi Local Municipality
Annual Financial Statements
for the year ended 30 June 2011

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

General Information

Legal form of entity	Local Municipality
Nature of business and principal activities	Local Municipality
Mayoral committee	
Executive Mayor	L F Maloka
Councillors	S T Makhubu M N R Nkosi S M Sibeko T B Tsoku
Grading of local authority	Category 4 Local Municipality
Chief Finance Officer (CFO)	V P Ndzinyana
Registered office	Civic Centre C/o H F Verwoerd & Louw Streets Heidelberg 1441
Postal address	P O Box 201 Heidelberg Gauteng 1441
Bankers	ABSA Bank Bruma Gauteng
Auditors	Auditor-General

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Lesedi Local Municipality

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Annual Financial Statements for the year ended 30 June 2011

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

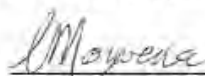
The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the municipality and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 5.

The annual financial statements set out on pages 6 to 54, which have been prepared on the going concern basis, were approved by the council on 31 August 2011 and were signed on its behalf by:



Accounting Officer
Acting Municipal Manager

Heidelberg

31 August 2011

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL OF THE LESEDI LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Lesedi Local Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, as set out on pages ... to

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) (MFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Lesedi Local Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with the SA Standards of GRAP and the requirements of the MFMA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

9. With reference to note 39 to the financial statements, the municipality is the defendant in various court cases. The ultimate outcome of these matters cannot presently be determined, and no provision for any liabilities that may result has been made in the financial statements.

Restatement of corresponding figures

10. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during 30 June 2011 in the financial statements of Lesedi Local Municipality at, and for the year ended, 30 June 2010.

Material losses

11. As disclosed in note 50 to the financial statements, the municipality suffered significant water and electricity distribution losses of 11 350 050 kilolitres and 33 800 974 kilowatts with a value of R5 163 698 and R16 716 215 respectively.
12. As disclosed in note 12 to the financial statements, material losses to the amount of R10 981 235 were incurred as a result of a write-off of irrecoverable consumer debtors.

Material Impairments

13. As disclosed in note 12 to the financial statements, material impairments to the amount of R26 696 721 were incurred as the recoverability of these amounts is doubtful.

Additional matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

15. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages ... to ... and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Usefulness of information

17. The reported performance information was deficient in respect of the following criteria:

- Measurability: The indicators are not well-defined, and targets are not specific, measurable and time-bound.

18. The following audit findings relate to the above criteria:

Planned and reported targets are not specific, measurable and time bound

19. For the service delivery and infrastructure development unit, 100% of the planned and reported targets were not:

- specific in clearly identify the nature and the required level of performance;
- measurable in identifying the required performance;
- time bound in specifying the time period or deadline for delivery.

Compliance with laws and regulations

Annual financial statements, performance and annual report

20. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of the capital assets, current assets, liabilities identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Expenditure management

21. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.

INTERNAL CONTROL

22. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

23. The accounting officer did not exercise adequate oversight to ensure compliance with all laws and regulations, and more specifically with regards to compliance with the MFMA.
24. The accounting officer did not monitor the implementation of action plans to address internal control deficiencies as controls to ensure that payments are made within 30 days were not adequate.
25. The municipality did not have sufficient monitoring controls to ensure adherence to the internal policies and procedures at a programme level and for purposes of taking corrective action.

Financial and performance management

26. The financial statements were not adequately reviewed for completeness and accuracy by senior management, prior to submission for auditing, as they were subjected to material amendments.

Auditor-General

Johannesburg
30 November 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Current Assets			
Inventories	9	16,404,416	18,103,189
Other receivables from exchange transactions	10	11,929,994	5,544,760
VAT receivable	11	603,862	12,566,703
Consumer debtors	12	45,275,244	29,400,487
Cash and cash equivalents	13	3,890,784	26,958,088
		78,104,300	92,573,227
Non-Current Assets			
Investment property	3	256,939,543	270,773,475
Property, plant and equipment	4	405,135,528	371,242,871
Intangible assets	5	1,628,029	2,464,450
		663,703,100	644,480,796
Total Assets		741,807,400	737,054,023
Liabilities			
Current Liabilities			
Other financial liabilities	14	5,171,280	4,792,706
Trade and other payables from exchange transactions	17	73,510,659	35,952,868
Consumer deposits	18	6,696,107	6,168,838
Unspent conditional grants and receipts	15	1,788,525	18,924,486
Provisions	16	5,359,087	4,711,747
		92,525,658	70,550,645
Non-Current Liabilities			
Other financial liabilities	14	51,235,430	49,366,600
Provisions	16	1,197,830	1,261,982
		52,433,260	50,628,582
Total Liabilities		144,958,918	121,179,227
Net Assets		596,848,482	615,874,796
Net Assets			
Accumulated surplus		596,848,482	615,874,796

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Revenue			
Property rates	21	49,916,025	29,284,646
Service charges	22	213,337,850	189,222,775
Rental of facilities and equipment		3,302,549	3,007,923
Fines		2,404,477	2,455,529
Government grants & subsidies	23	95,115,678	71,267,957
Recoveries - Insurance		287,661	720,898
Interest received - investment	30	2,027,101	2,422,326
Total Revenue		366,391,341	298,382,054
Expenditure			
Employee related costs	26	(82,942,223)	(73,633,240)
Remuneration of councillors	27	(5,789,321)	(5,490,897)
Administration	28	-	(5,500)
Depreciation and amortisation	31	(45,082,799)	(38,394,515)
Finance costs	32	(5,375,962)	(4,639,961)
Debt impairment	29	(26,696,721)	(34,731,732)
Collection costs		(1,262,762)	(981,677)
Repairs and maintenance		(18,295,497)	(14,958,256)
Bulk purchases	36	(150,958,641)	(103,912,273)
Contracted services	35	(2,445,315)	(2,131,325)
Loss on disposal of assets		-	(14,379)
General Expenses	24	(47,505,271)	(44,761,633)
Total Expenditure		(386,354,512)	(323,655,388)
Gain (loss) on disposal of assets and liabilities		628,374	(14,379)
Deficit for the year		(19,334,797)	(25,287,713)

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	545,778,309	545,778,309
Adjustments		
Adjustments in terms of Directive 4	95,384,200	95,384,200
Balance at 01 July 2009 as restated	641,162,509	641,162,509
Changes in net assets		
Surplus for the year	(25,287,713)	(25,287,713)
Total changes	(25,287,713)	(25,287,713)
Opening balance as previously reported	551,021,219	551,021,219
Adjustments		
Adjustments in terms of Directive 4	65,162,060	65,162,060
Balance at 01 July 2010 as restated	616,183,279	616,183,279
Changes in net assets		
Surplus for the year	(19,334,797)	(19,334,797)
Total changes	(19,334,797)	(19,334,797)
Balance at 30 June 2011	596,848,482	596,848,482

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Cash Flow Statement

Figures in Rand	Note(s)	2011	2010
Cash flows from operating activities			
Receipts			
Sale of goods and services		244,161,311	206,777,783
Grants		77,246,929	75,346,358
Interest income		2,027,101	2,422,326
		323,435,341	284,546,467
Payments			
Employee costs		(86,599,619)	(79,124,137)
Suppliers		(193,214,964)	(176,801,340)
Finance costs		(5,375,962)	(4,639,961)
		(285,190,545)	(260,565,438)
Net cash flows from operating activities	37	38,244,796	23,981,029
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(64,285,572)	(40,304,237)
Proceeds from sale of property, plant and equipment	4	811,156	1
Purchase of other intangible assets	5	(85,088)	(719,881)
Net cash flows from investing activities		(63,559,504)	(41,024,117)
Cash flows from financing activities			
Proceeds from other financial liabilities		7,191,863	8,724,278
Repayment of other financial liabilities		(4,944,459)	(3,905,038)
Net cash flows from financing activities		2,247,404	4,819,240
Net decrease in cash and cash equivalents		(23,067,304)	(12,223,848)
Cash and cash equivalents at the beginning of the year		26,958,088	39,181,936
Cash and cash equivalents at the end of the year	13	3,890,784	26,958,088

Lesedi Local Municipality

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They have been prepared on the assumption that the Municipality will continue to operate as a going concern for at least the next twelve months and are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period unless explicitly stated otherwise.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. These judgements and sources of estimation uncertainty have been covered in the relevant notes.

1.2 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful life
Property - land	indefinite
Property - buildings	30 years
Lifts	30 years
Air-conditioners	5 years

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

Lesedi Local Municipality

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.2 Investment property (continued)

Transitional provision

The municipality changed its accounting policy for investment property in 2011. The change in accounting policy is made in accordance with its transitional provision as per Directive 4 of the GRAP Reporting Framework.

According to the transitional provision, the municipality is not required to measure investment property for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Investment property. Investment property has accordingly been recognised at provisional amounts, as disclosed in note 3. The transitional provision expires on 01 July 2011.

Until such time as the measurement period expires and investment property is recognised and measured in accordance with the requirements of the Standard of GRAP on Investment property, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Non-current Assets Held for Sale and Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Investment property implies that any associated presentation and disclosure requirements need not be complied with for investment property not measured in accordance with the requirements of the Standard of GRAP on Investment property.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.3 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Infrastructure	
• Roads and paving	10 - 30 years
• Electricity	20 - 30 years
• Water	15 - 20 years
• Sewerage	15 - 20 years
• Landfill site	4 years
Community	
• Buildings	30 years
• Recreational Facilities	20 - 30 years
• Security	5 years
Other property, plant and equipment	
• Specialist vehicles	20 years
• Other Vehicles	5 years
• Furniture and fittings	7 years
• Bins and containers	5 years
• Office equipment	3 - 7 years
Heritage	
• Museums & other collectables	indefinite
• Library book collections	indefinite

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Lesedi Local Municipality

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.3 Property, plant and equipment (continued)

Transitional provision

The municipality changed its accounting policy for property, plant and equipment in 2011. The change in accounting policy is made in accordance with its transitional provision as per Directive 4 of the GRAP Reporting Framework.

According to the transitional provision, the municipality is not required to measure property, plant and equipment for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Property, plant and equipment. Property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in note 4. The transitional provision expires on 01 July 2011.

In accordance with the transitional provision as per Directive 4 of the GRAP Reporting Framework, where property, plant and equipment was acquired through a transfer of functions, the municipality is not required to measure that property, plant and equipment for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The municipality acquired a transfer(s) of function in 2003 and property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in note 4.

Until such time as the measurement period expires and property, plant and equipment is recognised and measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Non-current Assets Held for Sale and Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Property, plant and equipment implies that any associated presentation and disclosure requirements need not be complied with for property, plant and equipment not measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment.

1.4 Intangible assets

Intangible assets are initially recognised at cost.

Computer software is capitalised to computer equipment where it forms an integral part of computer equipment.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 years

1.5 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.5 Heritage assets (continued)

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

1.6 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

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Accounting Policies

1.6 Financial instruments (continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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Accounting Policies

1.7 Leases (continued)

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Income for leases is disclosed under revenue in the statement of financial performance.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

1.9 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.9 Impairment of cash-generating assets (continued)

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

1.10 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.11 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of a municipality after deducting all of its liabilities.

1.12 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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Accounting Policies

1.12 Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.13 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.14 Revenue from exchange transactions (continued)

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.15 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Rates, including collection charges and penalties interest

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the municipality the cash actually collected on summonses issued.

1.16 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Where unauthorised expenditure is not approved, it is recovered from the responsible person and the amount received is accounted for as revenue in the Statement of Financial Performance.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

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Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1.19 Fruitless and wasteful expenditure (continued)

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Where fruitless and wasteful expenditure is not approved, it is recovered from the responsible person and the amount received is accounted for as revenue in the Statement of Financial Performance.

1.20 Irregular expenditure

If irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Presentation of currency

These annual financial statements are presented in South African Rand.

1.22 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.23 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.24 Budget information

The Statement of comparative and actual information have been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

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Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand

2011

2010

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2011 or later periods:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 - Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions in the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the municipality.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised by an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

Lesedi Local Municipality

(Demarcation code: GT 423)

Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph 19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 103: Heritage Assets

Grap 103 defines heritage assets as assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset should be recognised as an asset only if:

- it is probable that future economic benefits or service potential associated with the asset will flow to the municipality; and
- the cost of fair value of the asset can be measured reliably.

The standard required judgment in applying the initial recognition criteria to the specific circumstances surrounding the entity and the assets.

Grap 103 states that a heritage asset should be measured at its cost unless it is acquired through a non-exchange transaction which should then be measured at its fair value as at the date of acquisition.

In terms of the standard, an entity has a choice between the cost and revaluation model as accounting policy for subsequent recognition and should apply the chosen policy to an entire class of heritage assets.

The cost model requires a class of heritage assets to be carried at its cost less any accumulated impairment losses.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The revaluation model required a class of heritage assets to be carried at its fair value at the date of the revaluation less any subsequent impairment losses. The standard also states that a restriction on the disposal of a heritage asset does not preclude the entity from determining the fair value.

Grap 103 prescribes that when determining the fair value of a heritage asset that has more than one purpose, the fair value should reflect both the asset's heritage value and the value obtained from its use in the production or supply of goods or services or for administrative purposes.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase should be credited directly to a revaluation surplus. However, the increase should be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease should be recognised in surplus or deficit. However, the decrease should be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Grap 103 states that a heritage asset should not be depreciated but an entity should assess at each reporting date whether there is an indication that it may be impaired.

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

For a transfer from heritage assets carried at a revalued amount to property, plant and equipment, investment property, inventories or intangible assets, the asset's deemed cost for subsequent accounting should be its revalued amount at the date of transfer. The entity should treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this Standard. If an item of property, plant and equipment or an intangible asset carried at a revalued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a revalued amount, the entity applies the applicable Standard of GRAP to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard of GRAP relating to that asset. For a transfer from investment property carried at fair value, or inventories to heritage assets at a revalued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

The carrying amount of a heritage asset should be derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

A municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

A municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by a municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

A municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, a municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, a municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and a municipality applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, a municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, a municipality uses management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

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Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, a municipality estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 25: Employee benefits

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires a municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when a municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by a municipality in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which a municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods;
- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
 - pool the assets contributed by various entities that are not under common control; and
 - use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned;
- Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post-employment benefit plans as formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees;
- Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;
- Termination benefits as employee benefits payable as a result of either:
 - an entity's decision to terminate an employee's employment before the normal retirement date; or
 - an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

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Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The standard states the recognition, measurement and disclosure requirements of:

- Short-term employee benefits;
 - All short-term employee benefits;
 - Short-term compensated absences;
 - Bonus, incentive and performance related payments;
- Post-employment benefits: Defined contribution plans;
- Other long-term employee benefits;
- Termination benefits.

The standard states Post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

- Multi-employer plans;
- Defined benefit plans where the participating entities are under common control;
- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
 - Actuarial valuation method;
 - Attributing benefits to periods of service;
 - Actuarial assumptions;
 - Actuarial assumptions: Discount rate;
 - Actuarial assumptions: Salaries, benefits and medical costs;
 - Actuarial gains and losses;
 - Past service cost.
- Plan assets:
 - Fair value of plan assets;
 - Reimbursements;
 - Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one municipality and a financial liability or residual interest in another municipality. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

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Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle a municipality to a portion of another municipality's net assets in the event of liquidation, and to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, a municipality considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where a municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another municipality on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. A municipality measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. A municipality is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, a municipality can however designate such an instrument to be measured at fair value.

A municipality can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once a municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

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Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, a municipality has transferred control of the asset to another municipality.

A municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where a municipality modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

A municipality cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for a municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that a municipality is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. A municipality is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

3. Investment property

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	292,771,293	(35,831,750)	256,939,543	292,654,068	(21,880,593)	270,773,475

Reconciliation of investment property - 2011

	Opening balance	Transfers	Depreciation	Total
Investment property	270,773,475	117,225	(13,951,157)	256,939,543

Reconciliation of investment property - 2010

	Opening balance	Transfers	Depreciation	Total
Investment property	293,038,911	(14,336,000)	(7,929,436)	270,773,475

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

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3. Investment property (continued)

Transitional provisions

Investment property recognised at provisional amounts

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note 1.2, revisions were made to the opening carrying value of certain investment property amounting to R 6 745 090 which was previously recognised at provisional amounts.

4. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	57,034,399	-	57,034,399	57,034,399	-	57,034,399
Infrastructure	429,664,337	(222,762,394)	206,901,943	383,642,399	(203,491,549)	180,150,850
Community	48,494,848	(11,439,157)	37,055,691	48,287,893	(9,773,616)	38,514,277
Other property, plant and equipment	100,538,948	(55,855,700)	44,683,248	98,466,219	(48,977,099)	49,489,120
Capital work in progress	24,769,141	-	24,769,141	12,664,631	-	12,664,631
Heritage	34,691,106	-	34,691,106	33,389,594	-	33,389,594
Total	695,192,779	(290,057,251)	405,135,528	633,485,135	(262,242,264)	371,242,871

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	57,034,399	-	-	-	-	57,034,399
Infrastructure	180,150,850	33,357,307	-	12,664,630	(19,270,844)	206,901,943
Community	38,514,277	206,955	-	-	(1,665,541)	37,055,691
Other property, plant and equipment	49,489,120	4,650,658	(182,782)	-	(9,273,748)	44,683,248
Capital work in progress	12,664,631	24,769,140	-	(12,664,630)	-	24,769,141
Heritage	33,389,594	1,301,512	-	-	-	34,691,106
	371,242,871	64,285,572	(182,782)	-	(30,210,133)	405,135,528

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	57,034,399	-	-	-	-	57,034,399
Infrastructure	183,682,910	18,107,610	-	1,177,758	(22,817,428)	180,150,850
Community	33,834,187	4,977,718	-	1,413,424	(1,711,052)	38,514,277
Other property, plant and equipment	54,248,499	4,554,108	24,255	158,559	(9,496,301)	49,489,120
Capital work in progress	-	12,664,631	-	-	-	12,664,631
Heritage	33,389,424	170	-	-	-	33,389,594
	362,189,419	40,304,237	24,255	2,749,741	(34,024,781)	371,242,871

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Annual Financial Statements for the year ended 30 June 2011

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4. Property, plant and equipment (continued)

Transitional provisions

Property, plant and equipment recognised at provisional amounts

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note 1.3, revisions were made to the opening carrying value of certain property, plant and equipment to R 82,324,949 which was previously recognised at provisional amounts.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

The gross carrying amount of property, plant and equipment fully depreciated and still in use at year-end is R7,877,840.71 but has been set aside for disposal in the 2012 financial year.

One hundred and seventy library books have a value of R1 or nil value as they need verification of their categorization so that the appropriate standard values can be applied.

5. Intangible assets

	2011			2010		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	4,325,825	(2,697,796)	1,628,029	4,240,738	(1,776,288)	2,464,450

Reconciliation of intangible assets - 2011

	Opening balance	Additions	Amortisation	Total
Computer software, other	2,464,450	85,088	(921,509)	1,628,029

Reconciliation of intangible assets - 2010

	Opening balance	Additions	Amortisation	Total
Computer software, other	3,157,845	719,881	(1,413,276)	2,464,450

Transitional provisions

Intangible assets recognised at provisional amounts

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note 1.4, revisions were made to the opening value of certain intangible assets amounting to R (2,458,509) (2010: R 771,232) which was previously recognised at provisional amounts.

6. Other financial assets

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2011 and 2010, as all the financial assets were disposed of at their redemption date.

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Notes to the Annual Financial Statements

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6. Other financial assets (continued)

For debt securities classified as at fair value through surplus or deficit, the maximum exposure to credit risk at the reporting date is the carrying amount.

7. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Loans and receivables	Available-for-sale	Total
Trade and other receivables	45,275,244	-	45,275,244
Other receivables from non-exchange transactions	11,929,994	-	11,929,994
Cash and cash equivalents	-	3,890,784	3,890,784
VAT receivable	603,862	-	603,862
	57,809,100	3,890,784	61,699,884

2010

	Loans and receivables	Available-for-sale	Total
Trade and other receivables	29,400,487	-	29,400,487
Other receivables from exchange transactions	5,544,760	-	5,544,760
Cash and cash equivalents	-	26,958,088	26,958,088
VAT receivables	12,566,703	-	12,566,703
	47,511,950	26,958,088	74,470,038

8. Employee benefit obligations

Defined benefit plan

Post retirement medical aid plan

Lesedi operates on 4 accredited medical aid schemes, namely Hosmed, Key Health, Bonitas and LA Health. Pensioners continue on the option they belong to on the day of their retirement.

9. Inventories

Consumable stores	3,892,022	3,658,697
Water	115,619	108,492
Unsold Properties Held for Resale	12,396,775	14,336,000
	16,404,416	18,103,189

Adjustments

Inventories not previously recognised

Vacant land with a value of R 250 000 was identified for sale during 2010 and sold in the current financial year. The land was not previously accounted for as part of inventory.

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
10. Other receivables from exchange transactions		
Deposits	108,889	108,889
Sundry debtors	6,242,753	2,032,966
Housing debtors	3,402,905	3,402,905
District and court receivables	2,175,447	-
	11,929,994	5,544,760
11. VAT receivable		
VAT	603,862	12,566,703
12. Consumer debtors		
Gross balances		
Rates	24,941,892	24,024,856
Electricity	38,832,570	34,307,576
Water	41,422,589	31,725,278
Sewerage	15,499,479	14,678,378
Refuse	27,637,230	23,962,527
VAT	14,922,013	12,029,519
Other	24,856,514	15,793,910
	188,112,287	156,522,044
Less: Provision for debt impairment		
Rates	(21,411,977)	(21,182,944)
Electricity	(30,880,476)	(30,249,307)
Water	(36,035,484)	(27,972,479)
Sewerage	(14,010,946)	(12,942,065)
Refuse	(25,075,458)	(21,127,988)
Other	(15,422,702)	(13,646,774)
	(142,837,043)	(127,121,557)
Net balance		
Rates	3,529,915	2,841,912
Electricity	7,952,094	4,058,269
Water	5,387,105	3,752,799
Sewerage	1,488,533	1,736,313
Refuse	2,561,772	2,834,539
VAT	14,922,013	12,029,519
Other	9,433,812	2,147,136
	45,275,244	29,400,487
Rates		
Current (0 -30 days)	1,409,200	2,841,912
31 - 60 days	1,184,957	-
61 - 90 days	935,758	-
	3,529,915	2,841,912
Electricity		
Current (0 -30 days)	4,605,377	4,058,269
31 - 60 days	2,062,423	-
61 - 90 days	1,284,294	-
	7,952,094	4,058,269

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Figures in Rand	2011	2010
12. Consumer debtors (continued)		
Water		
Current (0 -30 days)	1,904,596	3,122,404
31 - 60 days	1,867,604	630,395
61 - 90 days	1,614,905	-
	5,387,105	3,752,799
Sewerage		
Current (0 -30 days)	451,738	1,553,668
31 - 60 days	556,349	182,645
61 - 90 days	480,446	-
	1,488,533	1,736,313
Refuse		
Current (0 -30 days)	653,173	1,602,165
31 - 60 day	1,028,696	1,232,374
61 - 90 days	879,903	-
	2,561,772	2,834,539
VAT		
Current (0 -30 days)	14,922,013	12,029,519
Other (specify)		
Current (0 -30 days)	3,195,073	1,227,726
31 - 60 days	2,620,642	919,410
61 - 90 days	3,618,097	-
	9,433,812	2,147,136
Reconciliation of debt impairment provision		
Balance at beginning of the year	(127,121,557)	(92,389,825)
Contributions to provision	(26,696,721)	(40,086,922)
Debt impairment written off against provision	10,981,235	5,355,190
	(142,837,043)	(127,121,557)

13. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,335	2,335
Bank balances	3,888,449	11,955,753
Short-term deposits	-	15,000,000
	3,890,784	26,958,088

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2011	30 June 2010	30 June 2009	30 June 2011	30 June 2010	30 June 2009
ABSA BANK - Main Cheque Account	3,888,449	11,955,753	11,957,021	(15,509,899)	5,332,282	(3,707,044)

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
14. Other financial liabilities		
At fair value through surplus or deficit		
Development Bank of Southern Africa	56,406,710	54,159,306
The loan interest rates vary between 5.00% and 14.24%, and the half-yearly fixed instalment repayments vary between R5,491 and R1,377,105. The terms of the loans range between 10 and 20 years.		
Non-current liabilities		
Fair value through surplus or deficit	51,235,430	49,366,600
Current liabilities		
Fair value through surplus or deficit	5,171,280	4,792,706
	56,406,710	54,159,306

15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts - Restated

Finance management grant	-	505,720
District health	(420,731)	(246,035)
Provincial clinics	(1,346,673)	(959,085)
Water grants	839,625	511,768
Provincial library and other	241,686	568,362
Agricultural grant	-	325,073
District other	(170,503)	177
District Madiba road - capital	33,396	29,607
Municipal infrastructure grant - capital	434,030	16,616,138
Provincial clinics - capital	-	79,894
Provincial other - capital	85,103	85,103
Provincial library - capital	154,684	202,644
Unspent grant 36	1,937,908	1,205,120
	1,788,525	18,924,486

Movement during the year

Net unspent conditional grants balance at the beginning of the year	17,719,366	16,210,238
Additions during the year	77,246,929	72,777,082
Reversal of debtor for reconciliation	1,937,908	1,205,120
Income recognition during the year	(95,115,678)	(71,267,954)
	1,788,525	18,924,486

Net grants for movement reconciliation (Note 10,15 & 23)

Other receivables (Sundry debtors)	(1,937,908)	(1,205,120)
Unspent conditional grant rollovers	1,788,525	18,924,486
Net unspent conditional grants balance at the end of the year	(149,383)	17,719,366

The nature and extent of government grants recognised in the annual financial statements, and an indication of other forms of government assistance, from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has not been recognised.

See note 23 for reconciliation of grants from National/Provincial Government.

Lesedi Local Municipality

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Annual Financial Statements for the year ended 30 June 2011

Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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16. Provisions

Reconciliation of provisions - 2011

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Environmental rehabilitation: Open landfill sites	1,261,982	-	-	(64,152)	1,197,830
Leave Pay	4,711,747	1,364,166	(716,826)	-	5,359,087
	5,973,729	1,364,166	(716,826)	(64,152)	6,556,917

Reconciliation of provisions - 2010

	Opening Balance	Additions	Utilised during the year	Total
Environmental rehabilitation: Open landfill sites	802,760	459,222	-	1,261,982
Leave pay	3,991,077	1,446,256	(725,586)	4,711,747
	4,793,837	1,905,478	(725,586)	5,973,729
Non-current liabilities			1,197,830	1,261,982
Current liabilities			5,359,087	4,711,747
			6,556,917	5,973,729

17. Trade and other payables from exchange transactions

Trade payables	51,105,415	21,637,069
Payments received in advanced - contract in process	15,060,531	7,694,117
Retentions	5,745,541	4,916,063
Sundry payables	1,098,506	1,098,506
Other payables	149,069	146,795
Audit fees	85,392	85,392
Interest on DBSA loan	266,205	374,926
	73,510,659	35,952,868

18. Consumer deposits

Consumer deposits - All services	6,696,107	6,168,838
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Guarantees held in lieu of service deposits R571,756 (2010: R517,756).

19. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Financial liabilities at amortised cost	Total
Other financial liabilities	56,406,710	56,406,710
Trade and other payables	73,510,659	73,510,659
Unspent conditional grants and receipts	1,788,525	1,788,525
Consumer deposits	6,696,107	6,696,107
	138,402,001	138,402,001

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Figures in Rand	2011	2010
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19. Financial liabilities by category (continued)

2010

	Financial liabilities at amortised cost	Total
Other financial liabilities	54,159,306	54,159,306
Trade and other payables	35,952,868	35,952,868
Unspent conditional grants and receipts	18,924,486	18,924,486
Consumer deposits	6,168,838	6,168,838
	115,205,498	115,205,498

20. Revenue

Property rates	49,916,025	29,284,646
Service charges	213,337,850	189,222,775
Rental of facilities & equipment	3,302,549	3,007,923
Fines	2,404,477	2,455,529
Government grants & subsidies	95,115,678	71,267,957
	364,076,579	295,238,830

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	213,337,850	189,222,775
Rental of facilities & equipment	3,302,549	3,007,923
	216,640,399	192,230,698

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Property rates	49,916,025	29,284,646
Fines	2,404,477	2,455,529

Transfer revenue

Levies	95,115,678	71,267,957
	147,436,180	103,008,132

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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21. Property rates

Rates received

Municipal rates levied	49,916,025	29,284,646
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Valuations

Residential	4,754,167,000	3,055,022,361
Commercial	1,093,763,000	428,404,901
State	627,406,000	227,859,101
Municipal	684,148,000	49,259,250
Small holdings and farms	1,460,884,000	654,892,573
	8,620,368,000	4,415,438,186

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2010. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate of R 0.00745 (2010: R 0.013) is applied to property valuations to determine assessment rates. Rebates of 20% (2010: 20%) are granted to residential and state property owners.

Rates are levied on a monthly basis. Interest at 10% per annum (2010: 10%) and a collection rate of 0% (2010: 0%), is levied on rates outstanding two months after due date.

The new general valuation will be implemented on 01 July 2014.

22. Service charges

Sale of electricity	129,264,378	123,901,933
Sale of water	44,464,650	32,819,374
Sewerage and sanitation charges	13,663,533	12,610,936
Refuse removal	18,533,016	16,911,971
Other service charges	7,412,273	2,978,561
	213,337,850	189,222,775

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
23. Government grants and subsidies - Restated		
Equitable share	48,093,000	38,295,501
Government grant (operating) 1 - Finance management grant	3,469,057	2,244,280
Government grant (operating) 3 - NER/DME	-	108,555
Government grant (operating) 4 - Municipal system improvement grant	750,000	902,938
Government grant (operating) 5 - District health	2,269,382	2,291,994
Government grant (operating) 6 - Vuna & others	-	18,548
Government grant (operating) 7 - Provincial clinics	2,452,082	3,290,085
Government grant (operating) 8 - Water grants	1,042,045	690,628
Government grant (operating) 9 - Province library & other	3,008,420	2,058,531
Government grant (operating) 12 - Agriculture grant	325,073	-
Government grant (operating) 13 - District other	686,527	277,222
Government grant (capital) 16 - District Madiba road - capital	1,796,211	563,296
Government grant (capital) 18 - Municipal infrastructure grant - capital	29,421,108	13,001,571
Government grant (capital) 20 - Provincial clinics - capital	79,894	3,227,547
Government grant (capital) 21 - Vuna & others- capital	-	719,881
Government grant (capital) 22 - Provincial other - capital	-	1,756,624
Government grant (capital) 24 - Finance management grant - capital	36,663	-
Government grant (capital) 25 - Provincial library - capital	1,686,216	1,820,756
	95,115,678	71,267,957

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy of R 150 (2010: R 150), which is funded from the grant.

Finance management grant - Restated

Balance unspent at beginning of year	505,720	1,762,096
Current-year receipts	2,963,337	987,904
Conditions met - transferred to revenue	(3,469,057)	(2,244,280)
	-	505,720

Conditions still to be met - remain liabilities (see note 15).

NER/DME - Restated

Current-year receipts	-	108,555
Conditions met - transferred to revenue	-	(108,555)
	-	-

Conditions still to be met - remain liabilities (see note 15).

Municipal system improvement grant - Restated

Current-year receipts	750,000	902,938
Conditions met - transferred to revenue	(750,000)	(902,938)
	-	-

Conditions still to be met - remain liabilities (see note 15).

District health - Restated

Balance unspent at beginning of year	(246,035)	-
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Lesedi Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
23. Government grants and subsidies - Restated (continued)		
Current-year receipts	2,094,686	2,045,959
Conditions met - transferred to revenue	(2,269,382)	(2,291,994)
	(420,731)	(246,035)

Conditions still to be met - remain liabilities (see note 15).

Vuna & Other - Restated

Current-year receipts	-	18,548
Conditions met - transferred to revenue	-	(18,548)
	-	-

Conditions still to be met - remain liabilities (see note 15).

Provincial clinics - Restated

Balance unspent at beginning of year	(959,085)	6,024,351
Current-year receipts	2,064,494	(3,693,351)
Conditions met - transferred to revenue	(2,452,082)	(3,290,085)
	(1,346,673)	(959,085)

Conditions still to be met - remain liabilities (see note 15).

Water grants - Restated

Balance unspent at beginning of year	511,768	-
Current-year receipts	1,369,902	1,202,396
Conditions met - transferred to revenue	(1,042,045)	(690,628)
	839,625	511,768

Conditions still to be met - remain liabilities (see note 15).

Provincial library & other - Restated

Balance unspent at beginning of year	568,362	-
Current-year receipts	2,681,744	2,626,893
Conditions met - transferred to revenue	(3,008,420)	(2,058,531)
	241,686	568,362

Conditions still to be met - remain liabilities (see note 15).

Agriculture grant - Restated

Balance unspent at beginning of year	325,073	-
Current-year receipts	-	325,073
Conditions met - transferred to revenue	(325,073)	-
	-	325,073

Conditions still to be met - remain liabilities (see note 15).

District other - Restated

Balance unspent at beginning of year	177	-
Current-year receipts	515,847	277,399

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
23. Government grants and subsidies - Restated (continued)		
Conditions met - transferred to revenue	(686,527)	(277,222)
	(170,503)	177

Conditions still to be met - remain liabilities (see note 15).

District Madiba road - capital - Restated

Balance unspent at beginning of year	29,607	-
Current-year receipts	1,800,000	592,903
Conditions met - transferred to revenue	(1,796,211)	(563,296)
	33,396	29,607

Conditions still to be met - remain liabilities (see note 15).

Municipal infrastructure grant - capital - Restated

Balance unspent at beginning of year	16,616,138	6,845,400
Current-year receipts	13,239,000	22,772,309
Conditions met - transferred to revenue	(29,421,108)	(13,001,571)
	434,030	16,616,138

Conditions still to be met - remain liabilities (see note 15).

Provincial clinics - capital - Restated

Balance unspent at beginning of year	79,894	-
Current-year receipts	-	3,307,441
Conditions met - transferred to revenue	(79,894)	(3,227,547)
	-	79,894

Conditions still to be met - remain liabilities (see note 15).

Vuna & Other capital - Restated

Current-year receipts	-	719,881
Conditions met - transferred to revenue	-	(719,881)
	-	-

Conditions still to be met - remain liabilities (see note 15).

Provincial other - capital - Restated

Balance unspent at beginning of year	85,103	-
Current-year receipts	-	1,841,727
Conditions met - transferred to revenue	-	(1,756,624)
	85,103	85,103

Conditions still to be met - remain liabilities (see note 15).

Finance management grant - capital - Restated

Current-year receipts	36,663	-
Conditions met - transferred to revenue	(36,663)	-

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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23. Government grants and subsidies - Restated (continued)

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Conditions still to be met - remain liabilities (see note 15).

Provincial library - capital - Restated

Balance unspent at beginning of year	202,644	-
Current-year receipts	1,638,256	2,023,400
Conditions met - transferred to revenue	(1,686,216)	(1,820,756)
	154,684	202,644

Conditions still to be met - remain liabilities (see note 15).

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act 6 of 2011), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

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Figures in Rand	2011	2010
24. General expenses		
Advertising	484,778	316,935
Assessment rates & municipal charges	-	4,527
Assets expensed	53,197	55,263
Auditors remuneration	2,612,508	1,417,847
Bank charges	343,254	301,551
Billing and meter reading charges	1,047,943	923,459
Cleaning	-	35,218
Community development and training	1,468,815	1,128,257
Consulting and professional fees	5,264,649	8,262,729
Consumables	501,116	479,938
Delivery expenses	1,955,140	2,981,265
Donations	10,000	27,432
Entertainment	331,672	145,192
Fines and penalties	12,750	4,650
Fleet	8,621,155	6,905,248
Grant related expenses	4,326,583	3,290,358
Hire	240,900	264,795
IT expenses	2,187,658	2,590,142
Insurance	1,161,426	1,155,532
Laboratory charges	33,937	14,183
Magazines, books and periodicals	231,109	33,759
Marketing	-	319
Medical expenses	16,400	748
Motor vehicle expenses	21,700	-
Pensioners: Medical aid costs	1,024,865	603,006
Pest control	83,185	93,097
Postage and courier	369,150	356,357
Printing and stationery	937,777	993,929
Promotions and sponsorships	92,395	43,310
Property - repairs: furniture & equipment	22,117	9,934
Protective clothing	613,769	636,467
Refuse	3,984,784	3,651,120
Security (Guarding of municipal property)	4,942,239	4,590,789
Software expenses	1,537,675	1,247,931
Subscriptions and membership fees	419,394	425,671
Telephone and fax	1,294,346	975,193
Training	947,581	572,764
Travel - local	309,304	237,097
	47,505,271	44,776,012

25. Operating deficit

Operating deficit for the year is stated after accounting for the following:

Gain (loss) on sale of property, plant and equipment	628,374	(14,379)
Depreciation on property, plant and equipment	31,131,642	30,465,079
Depreciation on investment property	13,951,157	7,929,436
Employee costs	88,731,544	79,124,137

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Notes to the Annual Financial Statements

Figures in Rand	2011	2010
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26. Employee related costs

Basic	49,274,863	44,748,196
Medical aid - company contributions	3,918,246	3,156,957
UIF	501,135	451,992
WCA	534,361	466,521
SDL	580,176	505,492
Other payroll levies	23,310	20,509
Leave pay provision charge	1,364,166	720,669
Pension costs	9,791,877	8,775,008
Leave pay	942,384	725,586
Travel, motor car, accommodation, subsistence and other allowances	1,445,441	1,867,729
Overtime payments	3,553,739	2,523,100
Acting allowances	1,482,636	1,244,327
Transport allowance (bus coupons)	1,086	210
Housing benefits and allowances	365,446	416,089
Cell phone allowance	71,448	77,672
Group insurance	703,997	623,141
Leave bonus	4,158,109	3,528,662
Excluding section 57 managers detailed below	78,712,420	69,851,860

Remuneration of Municipal Manager

Annual Remuneration	723,843	570,068
Car Allowance	128,688	112,573
Performance Bonuses	94,962	-
Contributions to UIF, Medical and Pension Funds	61,026	171,219
	1,008,519	853,860

Remuneration of Chief Finance Officer

Annual Remuneration	236,389	-
Car Allowance	24,150	-
Contributions to UIF, Medical and Pension Funds	499	-
	261,038	-

Remuneration of Executive Managers

Management Support Services

Annual Remuneration	304,737	548,674
Car Allowance	98,504	181,709
Contributions to UIF, Medical and Pension Funds	873	1,497
	404,114	731,880

Community Services

Annual Remuneration	466,847	484,696
Car Allowance	133,796	128,977
Performance Bonuses	67,032	-
Contributions to UIF, Medical and Pension Funds	182,468	118,207
	850,143	731,880

Service Delivery

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Figures in Rand	2011	2010
26. Employee related costs (continued)		
Annual Remuneration	432,326	459,957
Car Allowance	153,718	139,745
Performance Bonuses	81,122	-
Contributions to UIF, Medical and Pension Funds	197,086	132,178
	864,252	731,880
Development Planning and Housing		
Annual Remuneration	495,556	503,044
Car Allowance	107,150	99,718
Performance Bonuses	58,625	-
Contributions to UIF, Medical and Pension Funds	180,406	129,118
	841,737	731,880
27. Remuneration of councillors		
Executive Major	540,778	625,643
Speaker	445,427	476,069
Councillors	4,803,116	4,389,185
	5,789,321	5,490,897
In-kind benefits		
The Executive Mayor, Speaker and Mayoral Committee Members are full-time employees. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor has the use of a Council owned vehicle with two driver bodyguards for official duties.		
28. Administrative expenditure		
Administration and management fees - third party	-	5,500
29. Debt impairment		
Debt impairment	8,292,037	(1,727,604)
Contributions to debt impairment provision	18,404,684	31,104,146
Debts impaired	-	5,355,190
	26,696,721	34,731,732
30. Investment revenue		
Interest revenue		
Interest charged on trade and other receivables	655,710	365,353
Interest earned - external investments	1,371,391	2,056,973
	2,027,101	2,422,326
The amount included in Investment revenue arising from non-exchange transactions amounted to R 1,711,863.		
31. Depreciation and amortisation		
Property, plant and equipment	31,131,642	30,465,079
Investment property	13,951,157	7,929,436
	45,082,799	38,394,515

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32. Finance costs		
Interest on convertible instruments	5,375,962	4,639,961
Capitalisation rates used during the period were 0% on specific borrowings for capital projects and 9% being the weighted average cost of funds borrowed generally by the municipality.		
33. Taxation		
The Municipality is exempt from income tax in terms of the Income Tax Act.		
34. Auditors' remuneration		
Fees	2,612,508	1,417,847
35. Contracted services		
Specialist Services	960,944	988,485
Other Contractors	1,484,371	1,142,840
	2,445,315	2,131,325
36. Bulk purchases		
Electricity	117,854,005	81,502,100
Water	27,369,673	17,898,475
Sewer purification	5,734,963	4,511,698
	150,958,641	103,912,273
37. Cash generated from operations		
Deficit	(19,334,797)	(25,287,713)
Adjustments for:		
Depreciation and amortisation	45,082,799	38,394,515
(Loss) gain on sale of assets and liabilities	(628,374)	14,379
Debt impairment	26,696,721	34,731,732
Movements in provisions	583,188	1,179,892
Revaluation of unsold properties held for sale	191,259	14,086,000
Changes in working capital:		
Inventories	1,698,773	(13,266,792)
Other receivables from exchange transactions	(6,385,234)	1,708,302
Consumer debtors	(42,571,478)	(31,201,569)
Trade and other payables from exchange transactions	37,557,790	7,530,307
VAT	11,962,841	(7,005,779)
Unspent conditional grants and receipts	(17,135,961)	2,714,247
Consumer deposits	527,269	383,508
	38,244,796	23,981,029

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38. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Financed infrastructure	6,776,936	4,093,707
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This committed expenditure relates to plant and equipment and will be financed by available bank facilities, retained surpluses, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	290,215	451,373
- in second to fifth year inclusive	209,575	456,565
	499,790	907,938

Operating lease payments represent rentals payable by the municipality for certain of its office equipment. Leases are negotiated for an average term of five years and rentals are fixed for an average of three years. No contingent rent is payable.

39. Contingencies

An arbitration award is in dispute regarding a claim from an employee against the municipality relating to a dispute with that employee who is claiming compensation from the municipality and is seeking damages of R 151,065. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely, and the dispute should be resolved within the next year.

Litigation is in the process against the municipality relating to legal fees arising from a dispute re limited use of trucks the damages cannot be determined yet. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years.

Litigation is in the process against the municipality and its security services and the Minister of Safety and Security, by eight Samwu strikers claiming damages in the amount of R4 687 725. The case relates to incidents during May 2008 but notice was received after the financial year end. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely, and the case should be resolved within the next two years.

Litigation is in the process against the municipality and Gauteng Provincial Housing, Re: a mixed housing project called Obed Nkosi. The land was expropriated, the owner of the land disputes the land value determined by the province valuers. Litigation is against Lesedi as it falls within Lesedi Municipal boundaries. Amount claimed is R51million. Council offered R 11 million of which R9 million has already been paid. If applicant is successful province will cover all costs and settlement amount. Hearing scheduled for January 2012 and should be finalised by March 2012.

Lesedi requested ABSA Bank to issue a guarantee deposit for an Eskom account in the some of R135 000.

40. Related parties

Relationships

Close family member of key management	None
Joint venture of key management	None
Associate of close family member of key management	None
Members of key management	Directors remuneration - Refer to Employee Related Costs and Remuneration of Councillors notes

41. Restatement of comparative figures

Certain comparative figures have been restated.

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41. Restatement of comparative figures (continued)

The receivable portion of grants was restated as grants which requires reconciliation between revenue unspent grants and grant revenue recognised were both restated to clearly show both operational and capital grants separately and allow DORA grants to be fully separated and the reconciliation of Revenue, cash flow and yearend balances.

The effects of the restatements are as follows:

Statement of financial position

Note 10 Other receivables from exchange transactions	-	-
Sundry debtors - now	4,304,845	827,846
Sundry debtors - previously	-	2,032,966
Note 15 Unspent conditional grants and receipts	-	-
District health - now	(420,731)	(246,035)
District health - previously	-	-
Provincial clinics - now	(1,346,673)	(959,085)
Provincial clinics - previously	-	-
Total - now	(1,767,404)	(1,205,120)
Total - previously	-	-

Statement of Financial Performance

Depreciation and amortisation - now	-	(27,435,567)
Depreciation and amortisation - previously	-	(38,394,515)
Net surplus for the year - now	-	(14,328,759)
Net surplus for the year - previously	-	(20,508,265)

42. Risk management

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one institution.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the council. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2011	2010
ABSA - call account	-	9,000,000
INVESTEC Bank	-	6,000,000
ABSA - current account	3,888,449	5,322,282

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43. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

44. Events after the reporting date

Disclose for each material category of non-adjusting events after the reporting date:

- nature of the event. - the Municipal Manager's contract was not renewed at 1 September 2011.
- No estimation can be made of the financial effect other than to note the municipality is working with a very small working capital balance.

45. Irregular expenditure

Opening balance	16,108	-
Add: Irregular Expenditure - current year	390,433	16,108
Less: Amounts recoverable (not condoned)	(16,108)	-
	390,433	16,108

Details of irregular expenditure – current year

Incident	Response by Management	
Salary officials processed salary adjustments irregularly	Disciplinary steps are complete and funds recovered.	16,108
Store stock losses	Certain inventory items were found missing during the annual inventory verification. Disciplinary steps/ criminal proceedings are at the investigation stage.	390,433
		406,541

46. In-kind donations and assistance

The Municipality received the following in-kind donations and assistance:

DBSA Development Fund's Siyenza Manje project deployed a suitably qualified accountant to enhance municipal financial controls, from 01 July 2010 to 31 March 2011.

47. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Amount paid - current year	2,447,653	1,417,846
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PAYE and UIF

Amount paid - current year	9,069,491	7,257,910
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Pension and Medical Aid Deductions

Amount paid - current year	22,116,193	12,484,180
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VAT

VAT receivable	603,862	12,566,703
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VAT output payables and VAT input receivables are shown in note 11 and 12.

All VAT returns have been submitted by the due date throughout the year.

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47. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2011:

30 June 2011	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Lekala JM	771	156	927
Masina DG	808	33,443	34,251
Nkosi MNR	3,712	5,361	9,073
	5,291	38,960	44,251

30 June 2010	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
All Councillors only had Current Balances	-	-	-

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2011	Highest outstanding amount	Aging (in days)
All Councillors only had current balances	-	-

30 June 2010	Highest outstanding amount	Aging (in days)
All councilors only had current balances	-	-

48. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised - Note 15	56,406,710	54,159,306
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Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

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49. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the adjudication committee and council, and additionally, includes a note to the annual financial statements.

Six procurements, listed below, were procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the adjudication committee and council who considered them and subsequently approved the deviation from the normal supply chain management regulations.

The procurements noted above are: ITA (Hymax) upgrading of Lesedi's telephone systems (R 123,837); V3 Civil Contractors and Iso Lesizwe repairing of low bridge in Kismet Street, Shalima Ridge (R 167,366); Izigi Ze-Africa repairing of low bridge in Mare Street, Heidelberg (R 86,070); Sedgars supply and delivery of promotional material to the community service department (R 132,240); Frad (Pty) Ltd upgrading of Retief substation; Combined Systems upgrade of the Baud asset management system (R 1,594,407).

50. Unaccounted water and electricity

Distribution loss amounts

Electricity	16,716,215	9,918,218
Water	5,163,698	1,480,054
	21,879,913	11,398,272

ELECTRICITY

Year	Units Purchased	Units Sold	Loss in Distribution
2006/2007	212,301,802	189,828,817	10.59%
2007/ 2008	223,817,061	192,100,223	14.17%
2008/ 2009	229,180,514	201,180,324	12.22%
2009/ 2010	235,566,237	206,899,525	12.17%
2010/ 2011	238,306,342	204,505,368	14.18%

WATER

Year	Units Purchased	Units Sold	Loss in Distribution
2006/2007	5,290,503	4,603,050	12.99%
2007/ 2008	5,139,501	4,180,040	18.67%
2008/ 2009	5,829,350	5,200,000	10.80%
2009/ 2010	5,494,897	5,040,515	8.27%
2010/ 2011	6,151,905	5,016,855	18.45%

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51. Statement of comparative and actual information

2011

Financial Performance

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Property rates	46,143,319	63,155,373	63,155,373	49,916,025	13,239,348	79 %	108 %
Service charges	227,029,905	214,738,489	214,738,489	213,337,850	1,400,639	99 %	94 %
Investment revenue	8,027,571	8,227,571	8,227,571	2,027,101	6,200,470	25 %	25 %
Transfers recognised - operational	64,482,933	65,931,992	65,931,992	62,095,586	3,836,406	94 %	96 %
Other own revenue	5,913,541	5,073,995	5,073,995	6,749,505	(1,675,510)	133 %	114 %
Total revenue (excluding capital transfers and contributions)	351,597,269	357,127,420	357,127,420	334,126,067	23,001,353	94 %	95 %
Employee costs	(90,161,155)	(86,867,758)	(86,867,758)	(82,942,223)	(3,925,535)	95 %	92 %
Remuneration of councillors	(6,032,285)	(6,245,834)	(6,245,834)	(5,789,321)	(456,513)	93 %	96 %
Debt impairment	(4,730,881)	(4,984,772)	(4,984,772)	(26,696,721)	21,711,949	536 %	564 %
Depreciation and asset impairment	(26,498,570)	(30,075,001)	(30,075,001)	(45,082,799)	15,007,798	150 %	170 %
Finance charges	(4,458,341)	(5,444,173)	(5,444,173)	(5,375,962)	(68,211)	99 %	121 %
Materials and bulk purchases	(134,475,097)	(134,575,097)	(134,575,097)	(150,958,641)	16,383,544	112 %	112 %
Other expenditure	(83,383,529)	(82,429,810)	(82,429,810)	(69,635,289)	(12,794,521)	84 %	84 %
Total expenditure	(349,739,858)	(350,622,445)	(350,622,445)	(386,480,956)	35,858,511	110 %	111 %
Surplus/(Deficit)	1,857,411	6,504,975	6,504,975	(52,354,889)	58,859,864	(805)%	(2,819)%

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51. Statement of comparative and actual information (continued)

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	2,898,670	31,369,088	31,369,088	33,020,092	(1,651,004)	105 %	1,139 %
Surplus (Deficit) after capital transfers and contributions	4,756,081	37,874,063	37,874,063	(19,334,797)	57,208,860	(51)%	(407)%
Surplus/(Deficit) for the year	4,756,081	37,874,063	37,874,063	(19,334,797)	57,208,860	(51)%	(407)%

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51. Statement of comparative and actual information (continued)

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final budget	Actual outcome	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Capital expenditure and funds sources							
Total capital expenditure	61,264,200	73,715,522	73,715,522	64,285,573	9,429,949	87 %	105 %
Sources of capital funds							
Transfers recognised - capital	24,732,000	31,369,087	31,369,087	33,020,092	(1,651,005)	105 %	134 %
Borrowing	26,200,000	27,252,630	27,252,630	7,191,863	20,060,767	26 %	27 %
Internally generated funds	10,332,200	15,093,805	15,093,805	24,073,618	(8,979,813)	159 %	233 %
Total sources of capital funds	61,264,200	73,715,522	73,715,522	64,285,573	9,429,949	87 %	105 %
Cash flows							
Net cash from (used) operating	35,415,000	27,312,213	27,312,213	38,244,796	(10,932,583)	140 %	108 %
Net cash from (used) investing	(52,300,000)	(64,751,322)	(64,751,322)	(63,559,504)	(1,191,818)	98 %	122 %
Net cash from (used) financing	21,886,000	22,938,630	22,938,630	2,247,404	20,691,226	10 %	10 %
Net increase/(decrease) in cash and cash equivalents	5,001,000	(14,500,479)	(14,500,479)	(23,067,304)	8,566,825	159 %	(461)%
Cash and cash equivalents at the beginning of the year	39,182,000	26,958,088	26,958,088	26,958,088	-	100 %	69 %
Cash and cash equivalents at year end	44,183,000	12,457,609	12,457,609	3,890,784	8,566,825	31 %	9 %

Schedule of external loans as at 30 June 2011

Loan Number	Redeemable	Balance at 30 June 2010	Received during the period	Redeemed written off during the period	Balance at 30 June 2011	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
Development Bank of South Africa							
R11 JP Jameson Park - 13.56% Fixed	20 Years	61,597	-	12,522	49,075	-	-
R12 Mun Off - 13.85% fixed	10 Years	11,232,850	-	3,257,298	7,975,552	-	-
R13 Rat Elec - 9.45% fixed	15 Years	4,247,985	-	233,600	4,014,385	-	-
R14 Electrical Upgrade - 9.59% fixed	20 Years	19,391,812	655,025	465,232	19,581,605	-	-
R15 Electrical Upgrade - 5.00% fixed	20 Years	13,136,824	-	464,631	12,672,193	-	-
R16 Vehicles - 11.87% fixed	12 Years	2,888,000	1,112,000	203,481	3,796,519	-	-
R17 Infrastructure - 6.75% fixed	20 Years	3,352,106	47,894	85,336	3,314,664	-	-
R18 Other - 14.24% fixed	20 Years	223,057	5,376,944	331,079	5,268,922	-	-
Total external loans		54,534,231	7,191,863	5,053,179	56,672,915	-	-

Analysis of property, plant and equipment as at 30 June 2011
Cost/Revaluation
Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Land and buildings														
Land (Separate for AFS purposes)	57,034,399	-	-	-	-	-	57,034,399	-	-	-	-	-	-	57,034,399
	57,034,399						57,034,399							57,034,399
Infrastructure														
Roads, Pavements & Bridges	142,164,963	24,154,892	-	-	-	-	166,319,855	(78,793,836)	-	-	(7,618,549)	-	(86,412,385)	79,907,470
Security measures	4,134,091	196,783	-	-	-	-	4,330,874	(1,192,373)	-	-	(411,971)	-	(1,604,344)	2,726,530
Water mains	53,866,557	308,892	-	-	-	-	54,175,449	(26,902,058)	-	-	(2,556,377)	-	(29,458,435)	24,717,014
Transmission & Reticulation -	135,827,268	8,696,740	-	-	-	-	144,524,008	(59,622,641)	-	-	(6,676,947)	-	(66,299,588)	78,224,420
Electricity	58,689,007	-	-	-	-	-	58,689,007	(36,623,468)	-	-	(1,677,345)	-	(38,300,813)	20,388,194
Sewerage purification & reticulation	1,261,982	-	-	-	-	-	1,261,982	(200,690)	-	-	(315,142)	-	(515,832)	746,150
Landfill Site	363,162	-	-	-	-	-	363,162	(156,481)	-	-	(14,514)	-	(170,995)	192,167
Infrastructure on Agri Land	-	24,641,141	-	-	-	-	24,641,141	-	-	-	-	-	-	24,641,141
Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	396,307,030	57,998,448	-	-	-	-	454,305,478	(203,491,547)	-	-	(19,270,845)	-	(222,762,392)	231,543,086
Community Assets														
Sports and recreational facilities	5,227,115	171,791	-	-	-	-	5,398,906	(1,620,498)	-	-	(212,342)	-	(1,832,840)	3,566,066
Civic Buildings	43,060,778	35,164	-	-	-	-	43,095,942	(8,153,118)	-	-	(1,453,199)	-	(9,606,317)	33,489,625
	48,287,893	206,955	-	-	-	-	48,494,848	(9,773,616)	-	-	(1,665,541)	-	(11,439,157)	37,055,691

Analysis of property, plant and equipment as at 30 June 2011
Cost/Revaluation
Accumulated depreciation

	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
Heritage assets														
Heritage assets	33,389,594	1,301,512	-	-	-	-	34,691,106	-	-	-	-	-	-	34,691,106
Other assets														
Motor vehicles	15,189,883	599,386	(1,301,632)	-	-	-	14,487,637	(6,953,556)	1,301,632	-	(2,338,620)	-	(7,990,544)	6,497,093
Buildings	38,883,709	260,332	-	-	-	-	39,144,041	(20,655,229)	-	-	(1,298,081)	-	(21,953,310)	17,190,731
Furniture & Fittings	4,000,022	127,550	(118,042)	-	-	-	4,009,530	(2,584,943)	71,442	-	(421,242)	-	(2,934,743)	1,074,787
Office Equipment	7,593,135	161,007	(614,001)	-	-	-	7,140,141	(3,950,413)	510,083	-	(1,113,498)	-	(4,553,828)	2,586,313
Specialized Vehicles	924,391	29,745	-	-	-	-	954,136	(289,286)	-	-	(154,703)	-	(443,991)	510,145
Plant & equipment	6,319,788	2,490,942	(512,554)	-	-	-	8,810,730	(1,621,910)	496,655	-	(368,204)	-	(1,990,114)	6,820,616
Bins and Containers	25,096,874	981,695	(31,700)	-	-	-	25,566,015	(12,784,764)	15,335	-	(3,537,271)	-	(15,835,380)	9,730,635
Work in progress	458,419	-	-	-	-	-	458,419	(126,998)	-	-	(42,129)	-	(153,792)	272,927
	-	128,000	-	-	-	-	128,000	-	-	-	-	-	-	128,000
Total property plant and equipment	98,466,221	4,778,657	(2,577,929)	-	-	-	100,666,949	(48,977,101)	2,395,147	-	(9,273,748)	-	(55,855,702)	44,811,247
Land and buildings	57,034,399	57,998,448	-	-	-	-	57,034,399	(203,491,547)	-	-	(19,270,845)	-	(222,762,392)	231,543,086
Infrastructure	396,307,030	206,955	-	-	-	-	454,305,478	(9,773,616)	-	-	(1,665,541)	-	(11,439,157)	37,055,691
Community Assets	48,287,893	1,301,512	-	-	-	-	48,494,848	(34,691,106)	-	-	-	-	(55,855,702)	34,691,106
Heritage assets	33,389,594	4,778,657	(2,577,929)	-	-	-	34,691,106	(48,977,101)	2,395,147	-	(9,273,748)	-	(2,697,796)	1,628,029
Other assets	98,466,221	4,778,657	(2,577,929)	-	-	-	100,666,949	(48,977,101)	2,395,147	-	(9,273,748)	-	(55,855,702)	44,811,247
Agricultural/Biological assets	633,485,137	64,285,572	(2,577,929)	-	-	-	695,192,780	(262,242,264)	2,395,147	-	(30,210,134)	-	(290,057,251)	405,135,529
Intangible assets														
Computers - software & programming	4,240,737	85,088	-	-	-	-	4,325,825	(1,776,289)	-	-	(921,507)	-	(2,697,796)	1,628,029
	4,240,737	85,088	-	-	-	-	4,325,825	(1,776,289)	-	-	(921,507)	-	(2,697,796)	1,628,029
Investment properties														
Investment property	292,654,068	-	-	117,225	-	-	292,771,293	(21,880,593)	-	-	(13,951,157)	-	(35,831,750)	256,939,543
	292,654,068	-	-	117,225	-	-	292,771,293	(21,880,593)	-	-	(13,951,157)	-	(35,831,750)	256,939,543
Total														
Land and buildings	57,034,399	57,998,448	-	-	-	-	57,034,399	(203,491,547)	-	-	(19,270,845)	-	(222,762,392)	231,543,086
Infrastructure	396,307,030	206,955	-	-	-	-	454,305,478	(9,773,616)	-	-	(1,665,541)	-	(11,439,157)	37,055,691
Community Assets	48,287,893	1,301,512	-	-	-	-	48,494,848	(34,691,106)	-	-	-	-	(55,855,702)	34,691,106
Heritage assets	33,389,594	4,778,657	(2,577,929)	-	-	-	34,691,106	(48,977,101)	2,395,147	-	(9,273,748)	-	(2,697,796)	1,628,029
Other assets	98,466,221	4,778,657	(2,577,929)	-	-	-	100,666,949	(48,977,101)	2,395,147	-	(9,273,748)	-	(55,855,702)	44,811,247
Intangible assets	4,240,737	85,088	-	-	-	-	4,325,825	(1,776,289)	-	-	(921,507)	-	(2,697,796)	1,628,029
Investment properties	292,654,068	-	-	117,225	-	-	292,771,293	(21,880,593)	-	-	(13,951,157)	-	(35,831,750)	256,939,543

Analysis of property, plant and equipment as at 30 June 2011
Accumulated depreciation

Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand
930,379,942	64,370,660	(2,577,929)	117,225	-	-	992,289,898	(285,899,146)	2,395,147	-	(45,082,798)	-	(328,586,797)	663,703,101

Segmental Statement of Financial Performance for the year ended
Prior Year **Current Year**

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand		Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
Municipality						
31,187,074	12,817,686	18,369,388	Executive & Council/Mayor and Council	51,711,285	16,845,466	34,865,819
44,656,921	41,321,403	3,335,518	Finance & Admin/Finance	59,834,101	62,937,920	(3,103,819)
2,782,920	5,656,773	(2,873,853)	Planning and Development/Economic Development/Plan	2,690,056	6,924,724	(4,234,668)
10,146,961	5,227,481	4,919,480	Health/Clinics	5,980,260	4,940,888	1,039,372
3,865,466	7,947,152	(4,081,686)	Comm. & Social/Libraries and archives	4,197,062	8,804,368	(4,607,306)
375,587	1,802,051	(1,426,464)	Housing	360,662	2,561,633	(2,200,971)
2,544,440	11,624,388	(9,079,948)	Public Safety/Police	2,431,593	12,217,875	(9,786,282)
1,827,751	2,771,317	(943,566)	Sport and Recreation	1,692,680	2,431,441	(738,761)
-	7,262,100	(7,262,100)	Environmental Protection/Pollution Control	188	8,259,540	(8,259,352)
29,646,392	30,821,011	(1,174,619)	Waste Water Management/Sewerage	32,483,579	30,994,645	1,488,934
4,887,836	14,243,719	(9,355,883)	Road Transport/Roads	27,829,046	16,374,607	11,454,439
41,642,371	43,704,324	(2,061,953)	Water/Water Distribution	48,198,395	39,422,084	8,776,311
124,803,950	130,526,535	(5,722,585)	Electricity /Electricity Distribution	129,610,807	159,688,147	(30,077,340)
298,367,669	315,725,940	(17,358,271)	Total	367,019,714	372,403,338	(5,383,624)

Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2011

	Current year 2010 Act. Bal.	Current year 2010 Adjusted budget Rand	Variance Rand	Var	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Property rates	49,916,025	63,155,373	(13,239,348)	(21.0)	Budget based on halving the general rate due to Valuation roll value doubling. Actual based on all rate differentials with the rebates etc.
Service charges	213,337,850	214,738,489	(1,400,639)	(0.7)	
Rental of facilities and equipment	3,302,549	1,483,320	1,819,229	122.6	Conservative minor budget set as recommended. See also farming income below.
Fines	2,404,477	2,979,120	(574,643)	(19.3)	Problems with payments from court resulted in the conservative minor budget not being met.
Government grants & subsidies	95,115,678	97,301,080	(2,185,402)	(2.2)	
Recoveries	287,661	206,035	81,626	39.6	Conservative minor budget exceeded.
Other farming income	-	405,520	(405,520)	(100.0)	Municipality does not do farming. Rental of land for grazing part of rental of facilities, error in budget.
Interest received - investment	2,027,101	8,227,571	(6,200,470)	(75.4)	Full extent of drawdown of investments due to grant funding being spent no accounted for in the budget.
	366,391,341	388,496,508	(22,105,167)	(5.7)	
Expenses					
Personnel	(82,942,222)	(86,867,758)	3,925,536	(4.5)	Vacancies especially in the HOD positions, CFO 8 months, Management Support Services 5 months.
Remuneration of councillors	(5,789,322)	(6,245,834)	456,512	(7.3)	Budget based on a 10% increase before actuals announced as 5%.
Administration	-	-	-	-	
Depreciation	(45,082,797)	(30,075,001)	(15,007,796)	49.9	Additional assets due to run down of grant rollover funding
Finance costs	(5,375,962)	(5,444,173)	68,211	(1.3)	
Debt impairment	(26,696,721)	(4,984,772)	(21,711,949)	435.6	Optimism and difficulty with concept lead to total understatement.
Collection costs	(1,262,762)	(1,083,190)	(179,572)	16.6	additional work done to boost the recovery.
Repairs and maintenance - General	(18,295,494)	(19,117,329)	821,835	(4.3)	
Bulk purchases	(150,958,641)	(134,575,097)	(16,383,544)	12.2	Unexpected distribution losses
Contracted Services	(2,445,314)	(2,802,501)	357,187	(12.7)	Deliberate savings to conserve cash flow.
General Expenses	(47,505,271)	(59,426,790)	11,921,519	(20.1)	Deliberate savings to conserve cash flow.
	(386,354,506)	(350,622,445)	(35,732,061)	10.2	
Other revenue and costs					
Gain or loss on disposal of assets and liabilities	628,374	(2,217,547)	2,845,921	(128.3)	Not budgeted for due to conservative approach to budget.
	628,374	(2,217,547)	2,845,921	(128.3)	
Net surplus/ (deficit) for the year	(19,334,791)	35,656,516	(54,991,307)	(154.2)	Net of above explanations.

**Budget Analysis of Capital Expenditure as at 30 June
2011**

	Additions	Revised	Variance	Variance	Explanation of significant
	Rand	Budget	Rand	%	variances from budget
		Rand			
Municipality					
Executive & Council/Mayor and Council	621	719	98	14	Mayors insurance replace met less than budget.
Finance & Admin/Finance	30	30	-	-	
Planning and Development/Economic Development/Plan	-	-	-	-	
Health/Clinics	92	220	128	58	Grant recovered by claims. Slow receipts resulted in underspend.
Public Safety/Police	41	(443)	(484)	109	Equipment required less than estimate.
Sport and Recreation	2,021	1,879	(142)	(8)	
Environmental Protection/Pollution Control	586	64,995	64,409	99	Equipment required less than estimate
Waste Water Management/Sewerage	2,491	2,600	109	4	
Road Transport/Roads	31,366	36,170	4,804	13	A portion of the Borrowing was rolled over due to fund constraints - Borrowing received in July 2011
Water/Water Distribution	4,230	4,275	45	1	
Electricity /Electricity Distribution	22,829	26,540	3,711	14	A portion of the Borrowing was rolled over due to fund constraints - Borrowing received in July 2011
	64,307	136,985	72,678	53	

Lesedi Local Municipality
Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2011

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay/withholding of funds	Did your municipality comply with the conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun		
FMG	NT	506	-	-	-	2,963	-	-	-	(3,469)	-	-	-	-	Yes	
NER/ DME	Prov	-	-	-	-	-	-	-	-	-	-	-	-	-	Yes	
MSIG	NT	-	-	-	-	750	-	-	-	(750)	-	-	-	-	Yes	
District health	Other	(246)	-	-	-	2,094	-	-	-	(2,269)	-	-	-	(421)	Yes	Grant claim submitted
Vuna & others	Prov	-	-	-	-	-	-	-	-	-	-	-	-	-	Yes	
Provincial clinics	Prov	(959)	-	-	-	2,065	-	-	-	(2,452)	-	-	-	(1,347)	Yes	Grant claim submitted
Water grants	Sedebeng	512	-	-	-	1,370	-	-	-	(1,042)	-	-	-	840	Yes	Funds received early Prov year late Municipal year
Provincial library & other	NT	568	-	-	-	2,682	-	-	-	(3,008)	-	-	-	242	Yes	operational savings roll over requested
Agriculture grant	NT	325	-	-	-	-	-	-	-	(325)	-	-	-	-	Yes	
District Other	Prov	-	-	-	-	516	-	-	-	(687)	-	-	-	(170)	Yes	roll over requested
District Madiba road - capital	Prov	29	-	-	-	1,800	-	-	-	(1,796)	-	-	-	33	Yes	operational savings roll over requested
MIG - capital	Other	16,616	-	-	-	13,239	-	-	-	29,421	-	-	-	434	Yes	Roll over approved
Prov clinics - capital	Prov	80	-	-	-	-	-	-	-	(80)	-	-	-	-	Yes	
Vuna & other - capital	Sedebeng	-	-	-	-	-	-	-	-	-	-	-	-	-	No	operational savings not reallocated
Prov other capital		85	-	-	-	-	-	-	-	-	-	-	-	85	Yes	
FMG - Capital		-	-	-	-	37	-	-	-	(37)	-	-	-	-	Yes	
Prov Library capital		203	-	-	-	1,638	-	-	-	(1,686)	-	-	-	155	Yes	operational savings roll over requested
Equitable share		-	-	-	-	48,093	-	-	-	48,093	-	-	-	-	Yes	
		17,719	-	-	-	77,247	-	-	-	95,115	-	-	-	(149)		

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

ANNEXURE B

CHAPTER 5 - FUNCTIONAL SERVICE DELIVERY REPORTING

TABLE OF CONTENTS

Function	Sub-Function
Executive and Council	
Finance and Administration	Finance Human Resources Other Administration (Procurement)
Planning and Development	Economic Development
Health	Clinics
Community and Social Services	All inclusive
Public Safety	Fire Service and Traffic
Housing	
Waste Management	Solid Waste
Waste Water Management	Sewerage
Road Transport	Roads
Water	Water Distribution
Electricity	Electricity Distribution Street Lighting

Function: Executive and Council		
Sub Function:	N/A	
Reporting Level	Detail	Total
Overview:	Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councillor and committee expenses and governance. Note: remuneration of councillor information should appear in Chapter 4 on Financial Statements and Related Financial Information.	
Description of the Activity:	The function of executive and council within the municipality is administered as follows and includes:	
	Service Delivery:e.g services like provision of water, electricity, roads, buildings etc to the community.Community Safety and Security Services:traffic, emergency services, fire control, primary health care, environmental health services, sport, art and heritage. Financial Services: administration in the provision of water, electricity, refuse removal, rates and taxes.Development and Planning: building inspections, town planning and local economic development. Management Support Services: supports all the departments of the Council in their endeavour to to attain thier objectives. It provides archiving or records management, Human Resources Management, Corporate and Legal Services.	
	The strategic objectives of this function are to:	
	Provide access to quality, affordable and sustainable services. Embrace sound management practicesand a culture of accountability. Promote the Batho Pele principles and optimally utilize the natural resources at our disposal.	
	The key issues for 2010/11 are:	
	Professionally fulfil and sensitively address the needs of the whole community. Create a safe and healthy environment in which the various people of the community can co-exist. Empower the Human Resources component of the municipality and monitor and improve productivity. Furthermore, to facilitate growth and development and to encourage a commitment to excellence.	
Analysis of the Function:		
1	Councillor detail:	
	Total number of Councillors	26
	Number of Councillors on Executive Committee	5
2	Ward detail:	
	Total number of Wards	13
	Number of Ward Meetings	12pa
3	Number and type of Council and Committee meetings:	
	Ordinary Mayoral Committee meetings and	36
	Ordinary Council meetings	12

Function:	Finance and Administration		
Sub Function:	Finance		
Reporting Level	Detail	Total	
Reporting Level			
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on Financial Statements and Related Financial Information.		
Description of the Activity:	The function of finance within the municipality is administered as follows and includes:		
	- R272 million revenue generated during 2010/11 Financial Year vs R291 million budgeted for.		
	- Monthly and Quarterly financial reports submitted for the year under review		
	- Budget Revised in January & Draft Budget 2010/11 approved in March & Final Budget 2010/11 approved on 26 May2010.		
	-Assets Verfication and measurement completed.		
	- Creditors were paid within 30 days of receiptof Invoices with a few exceptions.		
	These services have not been extended and do not take account of income which resides within the jurisdiction of privincial government. The municipality has a mandate to:		
	Provide access to quality affordable sustainable services		
	Professionally fulfill and sensitively address the needs of the whole community		
	The strategic objectives of this function are to:		
	- Revenue: generate income for the Municipality to enable it to conduct its business in terms of service delivery		
	- Expenditure: finance the pursuit of the expenditure goals in the corporate service structure		
	- Assets: compile and maintain asset and inventory register to safeguard all Council's assets		
	- Accounting: provide financial information to Council for informed decision making and planning and to comply with generally accepted audit and accounting standards		

Function:	Finance and Administration		
Sub Function:	Finance		
Reporting Level	Detail	Total	
	July		23,387,652
	August		28,521,025
	September		27,182,076
	October		29,821,469
	November		24,167,569
	December		25,116,036
	January		30,229,784
	February		28,707,885
	March		25,580,933
	April		23,560,098
	May		29,551,575
	June		24,574,191
2	Debtor collections: value of amount received and interest:		R
	July		16,453,473
	August		17,297,460
	September		19,705,485
	October		21,194,158
	November		22,568,114
	December		18,075,960
	January		19,614,485
	February		17,837,539
	March		19,437,479
	April		19,838,676
	May		18,703,685
	June		23,022,493
3	Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:		
	< 30 days		24,122,716
	30 days > 60 days		7,320,671
	60 days > 90 days		5,454,233
	90 days > 120 days		5,445,747

Function:	Finance and Administration		
Sub Function:	Finance		
Reporting Level	Detail	Total	
	120 days > 150 days		5,892,937
	150 days > 180 days		4,580,156
	180 days > 360 days		24,406,714
	> 360		108,080,960
4			
	Write off of debts: number and value of debts written off:		
	July		315,609
	August		572,081
	September		666,838
	October		2,420,597
	November		517,209
	December		1,035,785
	January		1,415,983
	February		900
	March		1,125,338
	April		1,241,543
	May		481,447
	June		1,187,904
5	Property rates (Residential):		R
	- Number and value of properties rated	22559	7,080,875,000
	- Number and value of properties not rated		
	- Number and value of rate exemptions		
Reporting Level	- Rates collectible for the current year		
6	Detail	Total	
	Property rates (Commercial):		R
	- Number and value of properties rated	1020	1,248,542,000
	- Number and value of properties not rated		
	- Number and value of rate exemptions		
7	- Rates collectible for the current year		
	Regional Service Council (RSC) levies:		R (000s)
	- Number and value of returns		
	- Total Establishment levy		
	- Total Services levy		

Function:	Finance and Administration		
Sub Function:	Finance		
Reporting Level	Detail	Total	
8	- Levies collected for the current year		
	Property valuation:		
	- Year of last valuation	2010	
9	- Regularity of valuation	4years	
	Indigent Policy:		
	- Quantity (number of households affected)	3500	
10	- Quantum (total value across municipality)		
	Creditor Payments:		R
	Eskom		117,756,301
	Rand Water		27,744,009
	Absa Bank LTD		27,200,000
	Immediate Electrical		11,865,445
	Development Bank of Southern Africa		10,429,141
11			
	Bulk Electricity 30 days > 60 days		10,621,258
	Bulk Water 60 days > 90 days		2,624,788
	Vat 90 days > 120 days		858,614
	Trade Creditors		1,793,171
	Credit Rating:		
	Not Applicable		
12	List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated		
	External Loans:	R	R
	- Total loans received and paid during the year	7,191,863	5,053,179
13	Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.	Refer to AFS - Annexure A	Refer to AFS - Annexure A
	Delayed and Default Payments:		
	Not Applicable		

Function:	Finance and Administration		
Sub Function:	Finance		
Reporting Level	Detail	Total	
Key Performance Area			
	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Revenue	Revenue: generate income for the Municipality to enable it to conduct its business in terms of service delivery	85%	100%
	Expenditure: finance the pursuit of the expenditure goals in the corporate structure		
Assets	Assets: compile and maintain asset and inventory register to safeguard	95%	100%
	all Council's assets		
Accounting	Accounting: provide financial information to Council for informed decision	100%	
	making and planning and to comply with generally accepted audit and accounting standards		
Budget	Budget: compile a budget for the operations of Council for short, medium and long term in pursuit of its purpose	100%	100%
Supply Chain Management	Stores: maintain the inventory to support the Council's operations. Ensure correct procedures are followed in the process of bids and quotations.	90%	100%

Function:	Finance and Administration		
Sub Function:	Human Resources		
Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems. Note: Read in conjunction with Chapter 3 on Human Resource Management.		
Description of the Activity:	The function of human resource management within the municipality is administered as follows and includes:		
	The functions of the HR Management is to ensure that a holistic HR Services as a strategic, operational and line function are fully operative through training, development, capacitation, provisioning, industrial and labour relations, organizational development/ structuring, managing benefits, conditions of services, marketing of the HR functions as well as managing and marketing employee wellness, to ensure employee assistance and wellness programs are in place, to ensure health and safety in the workplace, ensure public awareness according to legislative requirements, and compliance to legislation, and furthermore to promote the effectiveness and efficiency of the municipality and to initiate and reconcile the aims of political, economic, social and technological policies of the council		
	The municipality has a mandate to:		
	Compile delegation of authority, review delegation of authority, establish a policy framework, within the policy framework approve staff establishment, compile job descriptions, attach posts to remuneration and other conditions of service, establish a performance management system, review staff establishment and remuneration, develop and adopt appropriate systems and procedures. Must also develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including Human Resource related matters such as job design, job evaluation, organisational development, transformation, dealing with pay problems.		
	The strategic objectives of this function are to:		
	To advocate the transformation agenda of the council. To provide leadership ensuring synergy of workflow processes. To provide an advisory Human Resource service to all stakeholders. To act as custodians of compliance through sound labour and industrial relations. To champion the Batho Pele principles and values throughout the entire organization. To ensure proper organizational development and provisioning mechanisms and interventions are progressively implemented. To improve the quality of work life of employees through effective and efficient employee assistance and wellness. To create a safe and healthy working environment. To ensure proper control and management through standing work processes, policies and process and maintenance of discipline.		

Function:	Finance and Administration		
Sub Function:	Human Resources		
Reporting Level	Detail	Total	
Analysis of the Function:	ACCORDING TO EMPLOYMENT EQUITY REPORT		
1	Number and cost to employer of all municipal staff employed:		R
	- Professional (Managerial/Specialist)	68	16,997,700
	- Field (Supervisory/Foremen)	49	6,130,132
	- Office (Clerical/Administrative)	137	10,542,686
	- Non-professional (blue collar, outside workforce)	217	1,514,563
	- Temporary Staff	103	767,878
	- Contract Staff	16	767,878

Function:	Finance and Administration		
Sub Function:	Other Administration (Procurement)		
Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc		
Description of the Activity:	The function of procurement within the municipality is administered as follows and includes:		
	To purchase goods and services of all kinds including specialised goods and equipment		
	Ensure that transactions achieve the best value for money outcome for the Municipality		
	Providing suppliers with the opportunity to compete for business in an open transparent manner		
	Encouraging effective competition through procurement methods suited to market circumstances		
	Accountability and reporting		
	Petty Cash Purchases: Range R1 to R1 999.00 - Lesedi Local Municipality does not have petty cash purchases. To accommodate purchases in this range one verbal or written quotation is needed. This range of purchase is delegated to managers.		
	Purchases: Range R2000.00 to R29 999.00 - This range of purchases is delegated to Executive Managers and CFO. Three written quotations are needed from suppliers on the municipal database. Price is the only criteria and the supplier with the lowest price is accepted.		
	Purchases: R30 000.00 to R200 000.00 - These purchases are delegated to the Municipal Manager, Executive Managers and CFO. An advertisement for the request for quotations must be placed on all notice boards and the website of the municipality for seven days. The supplier who scores the highest procurement points and not the lowest price will be accepted.		
	Purchases: R200 000.00 and above - This range of procurement is delegated to the Bid Adjudication committee. Tenders are called for according to prescribed specifications. The procurement point system also applies.		
	The strategic objectives of this function are to:		
	Remain focussed on core functions and objectives		
	Adopt procurement practices		
	To manage the process of tenders, contracts and bid committees to ensure compliance with the SCM Policy.		
Analysis of the Function:			

Function:	Finance and Administration		
Sub Function:	Other Administration (Procurement)		
Reporting Level	Detail	Total	
1	Details of tender / procurement activities:		
	- Total number of times that tender committee met during year	20	
	- Total number of tenders considered	58	
	- Total number of tenders approved	43	
	- Average time taken from tender advertisement to award of tender	21 Days	
	Note: Figures should be aggregated over year across all municipal functions		
2	Details of tender committee:		
	- Details of tender committee membership		
	Note: List details of each member of the tender committee		
	Mr. PJ van den Heever MM - Chairperson		
	Mr. LP Lehana Executive Manager Management Support Services		
	Ms. AR Ngwenya CFO		
	Mr. HB Coetsee Executive Manager Engineering Services		
	Ms C Mokoena Executive Manager Community Services		
	Mr. B Majola Executive Manager Planning and Development		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
To manage the process of tenders, contracts and bid committees to ensure compliance with the SCM Policy.	Keep record of each winning tender and file with agenda from each bid committee that it went through. Keep register for all tenders, contracts and bid committees minutes.	On going about 70% completed	Ongoing
To enhance control and reporting in order to adhere to the act.	Conduct reporting on Supply Chain Management as required by the MFMA. Report the findings of investigations.	90% completed	Ongoing
To conduct procurement through formal written quotation.	Request formal written quotation from registered suppliers. By receiving written request for goods or services from various Departments.	Adherence by other departments	Ongoing

Function:	Planning and Development		
Sub Function:	Economic Development		
Reporting Level	Detail	Total	
Overview:	The department is tasked with the responsibility to ensure that the much needed economic growth and employment opportunities in the area are created. so far a significant number of investments have been realized already, thus Transnet Liquid Bulk Terminal, Vopak Reatile, the Zone of Opportunity, Integrated Medical Facility, Coca cola Valpre Project and the Southern Gateway Logistic hub.		
	The department also supports and manage agricultural projects to alleviate poverty and create employment opportunities. this has also been made successful by the continuous support that we receive from GDARD and a recent sponsorship by ACSA in partnership with Pathwe Green at Hlwanyela Agricultural Project. Furthermore, every year we set up the budget to support our local SMME,s by providing infrastructure for informal traders in the strategic areas.		
Description of the Activity:	The function of economic planning / development within the municipality is administered as follows and includes:		
	All our projects are administered between the office of the Executive Manager and the Manager for Local Economic Development		
	Our services extends to include tourism and marketing for the area and municipal services. As a local authority we are the most appropriate institution for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.		
	The strategic objectives of this function are to:		
	The LLM, including the local business in collaboration with the region, will strive to establish an economic growth rate in an economically stable environment, at least equal to the national growth rate, thereby creating job opportunities and uplifting the disadvantaged community, resulting in the improvement of quality of life of all it's residents		
	The key issues for 2010/11 are:		
	Economic growth and Development		
Analysis of the Function:			
1	Number and cost to employer of all economic development personnel:		
	- Professional (Directors / Managers)	3	
	- Non-professional (Clerical / Administrative)	2	
	- Temporary	0	
	- Contract	0	
2	Detail and cost of incentives for business investment:		R (000s)
	The LLM does not have a policy for incentive business investment		

Function:	Planning and Development		
Sub Function:	Economic Development		
Reporting Level	Detail	Total	
	no incentives		
3	Detail and cost of other urban renewal strategies:		R 171,000
	Nodes and Corridor Study		
4	Detail and cost of other rural development strategies:		R (000s)
	The LLM does not have a rural development strategy		
5	Number of people employed through job creation schemes:		
	- Short-term employment	45	
	- Long-term employment	32	
6	Number and cost to employer of all Building Inspectors employed:		R (000s)
	- Number of Building Inspectors	4	
	- Temporary	0	
	- Contract	0	
6	Details of building plans:		
	- Number of building plans approved	705	
	- Value of building plans approved	R 578,606,000	
Reporting Level	Detail	Total	
7	Type and number of grants and subsidies received:		R (000s)
	no grants and subsidies received	<total>	<value>
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1	Removal of alien vegetation plant;	Identified new areas to expand the project	100%
2	Revival of Ratanda Pleasure Resort;	ROD Re-ceived	

Function:	Planning and Development		
Sub Function:	Economic Development		
Reporting Level	Detail	Total	
3	Provision of stalls for informal traders;	6 Stalls erected and allocated	100%
4	Industrial Township Establishment;	township registered and proclaimed	100%
5	LED/Small farm development	expansion of the projects	100%

Function:	Health		
Sub Function:	Clinics		
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of health		
Description of the Activity:	The function for the provision of community health clinics within the municipality is administered as follows and includes:		
	<ul style="list-style-type: none"> • Anti and Post natal services • HAST • Manage and control outbreak of diseases • Minor ailments • Geriatric • Rehabilitative services • Counselling (VCT; PMTCT; TOP) • Oral services • Mental Health • Reproductive Health • IMCI * Drug Dispensing * Order and control drugs * Admisitration and keeping of all records pertaining to patients, drugs etc. Conduct regular review, supervisory tool and in-depth inspections at all Local Authority clinics. 		
	The municipality has a mandate to:		
	Render PHC Services on an agency basis on behalf of Gauteng Health Department to the community of Lesedi. MOA & MOU not signed yet.		
	The strategic objectives of this function are to:		
	To render a comprehensiv ePHC service to the community of Lesedi and to improve on the following: Immunization, Cervical cancer screening, Waiting time and to comply with National Norms and Standards. To fill current vacancies and to populate the approved Provincial organogram. Provincializatio of PHC services.		
	The key issues for 2010/11 are:		
	Fill vacancies by populating approved Provincial organogram in cooperation with Gauteng Provincial Government, improve service delivery by addressing waiting times, reduce out of stock drugs. Enter into a SLA with Gauteng Health Dept regarding the rendering of PHC at Local Level. Upgrading/extension of Ext 23 Clinic.		
Analysis of the Function:			
1	Number and cost to employer of all health personnel:		R
	- Professional (Doctors/Specialists)	0	0
	- Professional (Nurses/Aides)	6	1,381,266
	- Para-professional (Clinic staff qualified)	0	0
	- Non-professional (Clinic staff unqualified)	5	393,978

Function:	Health		
Sub Function:	Clinics		
Reporting Level	Detail	Total	
	- Temporary	1	18,330
	- Contract	0	0
2	Number, cost of public, private clinics servicing population:	8	R
	- Public Clinics (owned by municipality)	6	3,895,434
	- Private Clinics (owned by private, fees based) Provincial clinics	2	N/A
3	Total annual patient head count for service provided by the municipality:		
	- 65 years and over		
	- between 40 and 64 years		
	- between 15 and 39 years		
	- 14 years and under		
	- Other	77059	
4	Estimated backlog in number of and costs to build clinics:		R
	The rural areas within Lesedi are under-serviced and at least two additional mobile clinics are needed. (GPG is responsible for the service and should budget accordingly)	2	900,000
5	Type and number of grants and subsidies received: Gauteng Health Department.		All claims not processed yet. 100% of the expenditure should be funded by Province.
	Gauteng Health Department:		
6	Total operating cost of health (clinic) function:		R 5,689,008
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1. Upgrade All Facilities 2. Appoint additional personnel. 3. Improve on availability of drugs. 4. Develop proper referral system. 5. Improve on quality of care.	1. Upgrading of all clinics as follows: Extension 23 clinic: Concrete palisade fence. 2. Appointment of personnel: Applications were submitted to Province-they are busy with shortlisting. 3. Drug stock outs went down and did we improve on drug management by implementing bin cards. 4. Referral system: The system is in place but do we need to ensure that it is implemented at all clinics. 5. Improve quality of care: Nursing personnel sent for training to ensure that they are on date with latest development in the PHC field. NIMART; ART etc.	Clinic upgrading completed. Drug management in place. Referral system in place.	Appointment of professional nurses to be completed by 20 October 2009. Training is on-going.

Function:	Community and Social Services		
Sub Function:	All inclusive		
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	The function of provision of various community and social services within the municipality is administered as follows and includes:		
	Rendering of library and information services, sports and recreation, social development and HIV/AIDS services.		
	These services extend to include the entire area of Lesedi, but do not take account of statutory Social Work Services which resides within the jurisdiction of Gauteng Provincial and National Government. The municipality has a mandate to:		
	Render library and information services, availing community facilities such as community halls, provision and maintenance of cemeteries, Non-Statutory Social Development Services, (Registering and data capturing of indigent households and financial assistance thereof) Child Care facilities including crèches in cooperation with GPG, Aged care in cooperation with GPG, HIV/AIDS in cooperation with Sedibeng District Municipality and DLG, Museums in cooperation with Sedibeng District Municipality, Council provide land for erection of schools at no cost, provision and maintenance of sporting facilities and parks.		
	The strategic objectives of this function are to:		
	Provide community service function to the community to enhance accessibility and to improve quality of life.		
Analysis of the Function:			
1	Nature and extent of facilities provided:	no of facilities:	no of users:
	- Library services	2	93078 books circulated
	- Museums and art galleries (1 Managed by Sedibeng District and 1 Private)	2	
	- Other community halls/facilities	9	
	- Cemeteries and crematoriums	11	
	- Child care (including creches etc)	62	2301
	- Aged care (including aged homes, home help)	3	
	- Schools	16	14620

Function:	Community and Social Services		
Sub Function:	All inclusive		
Reporting Level	Detail	Total	
	- Sporting facilities (specify)	6	
	- Parks	7	
2	Number and cost to employer of all personnel associated with each community services function:		R
	- Library services		
	- Museums and art galleries		
	- Other community halls/facilities		
	- Cemeteries and crematoriums		798,495
	- Child care		
	- Aged care		
	- Schools		
	- Sporting facilities		
	- Parks		4,162,511
6	Total operating cost of community and social services function		4,961,006
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Establish Library Ext 7 & 23; Upgrade Sport Facilities (Lotto Funding) Purchase computers and books for Libraries; Appoint contractual assistant librarians, Purchase equipment to maintain Parks and cemeteries	Libraries (satellite) established at Ext 7 and 23. Tender in process to upgrade sport facilities; Books and computers purchased; Contractual librarian assistants appointed; equipment purchased for maintenance		

Function:	Public Safety		
Sub Function:	Fire Service and Traffic		
Reporting Level	Detail	Total	
Overview:	Includes Fire Services and Traffic Services		
Description of the Activity:	The Fire and Traffic control functions of the municipality is administered as follows and include:		
	Delivery of Traffic service to the community and to minimize disobedience by road users and enforce law and order and conducting of Fire, Rescue and HAZMAT Services to ensure the safety of the community.		
	These services extend to include traffic, fire and rescue service but do not take account of emergency medical which resides within the jurisdiction of Provincial Government and is rendered by the Sedibeng District Municipality. Licensing services is also with the Sedibeng District. The municipality has a mandate to:		
	To render Fire, Traffic, Rescue and HAZMAT service, in line with the National Road Traffic Act and Fire Brigade Act. Disaster Management Act and the Road Transportation Act.		
	The strategic objectives of this function are to:		
	Train all schools in Lesedi area that has registered scholar patrols. To maintain road traffic signs and ensure road markings are clearly visible throughout Lesedi L.M. Erect traffic signs and do road markings for pedestrian crossings and speed humps. At least 3 fines per officer per shift must be issued issue 5000 fines as a team per annum. Do a road block at least once per month to obtain our objective of 12 per annum. Provide escorts for all official applicants with regards to Heavy Duty Transport/Funerals. Conduct 300 fire safety inspections per annum. Service Fire Hydrants @ 120 per annum. Conduct risk analysis @ 60 inspections per annum. Internal Training must be given in: Fire Fighting, Rescue, HAZMAT; and Control Room at least one training sessions per week per shift. Fire Fighters must have all information and equipment ready before turning out to an incident. (turn out within 3 min and be at the scene within 20 minutes) Answer all calls and respond to emergency calls / Control room / Fire service		
	The key issues are:		
	To deal with all emergencies; To leave the station under 3 minutes and keep response times under 20 minutes; be vigorous in traffic law enforcement; train and educate the public on scholar patrols and fire safety. Conduct risk analysis inspections and ensure that fire hydrants are serviced (cleaned, flushed and marked to ensure that it can be used in cases of fire.		
Analysis of the Function:	Current statistical information of resources and service:		
1	Number and cost to employer of all personnel associated with Fire Services and Traffic control:		R (000s)
	- Professional (Senior Management)	1	Treasury

Function:	Public Safety		
Sub Function:	Fire Service and Traffic		
Reporting Level	Detail	Total	
	- Field (Detectives/Supervisors)	4	Treasury
	- Assistant Traffic Suerintendents	2	
	-Fire Section Shift Duty Officers/Leading Fire Fighters	3	Treasury
	-Traffic Officers	10	Treasury
	- Fire Fighters	16	Treasury
	- Contol Room Operators	4	Treasury
	- Administration/Input clerk	1	Treasury
	- Temporary Fire Fighters & Control Room Operators	13	Treasury
2	Total Number of Call-outs attended:		
	Emergency calls	879	
	Standard call outs:	As above	
	Traffic (Funeral Escorts)	128	
	Heavy Transport escorts	88	
3	Average response time: (From Station to Scene)		
	Emergency calls	12.00 min	
	Standard call outs:	12.00 min	
4	Total number of targeted violations		
	Traffic Violations:	2550 All of-fences in the act and traffic regulations from moving violations to speed law enforcement	
5	Total number and type of emergencies leading to a loss of life or disaster: We can only report on Fire and rescue (Am-bulance services are with the district, we do not have their numbers)	479 MVA's lead to los of life.	
	Fires, Motor Vehicle Accidents including truck or Heavy duty transport	733	
6	Type and number of grants and subsidies received:		
	None		
		NIL	Treasury
7	Total operating cost of Fire and Traffic function		R 0

Function:	Public Safety		
Sub Function:	Fire Service and Traffic		
Reporting Level	Detail	Total	
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Fire Rescue and HAZMAT Services; Traffic Services; Disaster Management	Fire Rescue and HAZMAT Services: 97%; Traffic Services: 76.40%; Law enforcement: 52.8% to date. Disaster Management: (Had no declared disasters 100%; Security Services: 87%. Centralised Communication Center: 90 %	80%	100%

Function:	Housing		
Sub Function:	N/A		
Reporting Level	Detail	Total	
Overview:	To have a clear qualitative analysis of peoples social and economic livelihoods/survival strategies, vulnerabilities, strengths and opportunities, migration and movement patterns in relation to the housing demand. To have a clear quantitative analysis, including facts and figures describing demographic situation of the area and the people in relation to the housing demand.		
Description of the Activity:	The function of provision of housing within the municipality is administered as follows and includes:		
	Housing matters are administered through the office of the Executive Manager, Housing Manager and Housing Co-ordinators		
	The municipality has a mandate to:		
	Beneficiary list administration, Allocation of houses to beneficiaries, Demand database		
	The strategic objectives of this function are to:		
	Provide sustainable human settlements		
	The key issues for 2010/11 are:		
	construction of houses in Impumelelo, Kwazenzele , Obed Nkosi and Hostel upgrading		
Analysis of the Function:			
1	Number and cost of all personnel associated with provision of municipal housing:		R (000s)
	- Professional	2	
	- Field (Supervisors/Foremen)	2	
	- Office (Clerical/Administration)	2	
	- Non-professional (blue collar, outside workforce)	0	
	- Temporary	0	
	- Contract	0	
2	Number and total value of housing projects planned and current:		R (000s)
	- Current (financial year after year reported on)	813	
	- Planned (future years)	12600	
3	Total type, number and value of housing provided:		R (000s)
	Two bed roomed with toilets and bathroom	1213	

Function:	Housing		
Sub Function:	N/A		
Reporting Level	Detail	Total	
4	Total number and value of rent received from municipal owned rental units		R (000s)
5	Estimated backlog in number of (and costs to build) housing:		R (000s)
		14 189	
6	Type of habitat breakdown:		
	- number of people living in a house or brick structure	66760	
	- number of people living in a traditional dwelling	0	
	- number of people living in a flat in a block of flats	216	
	- number of people living in a town/cluster/semi-detached group dwelling	0	
	- number of people living in an informal dwelling or shack	4784	
	- number of people living in a room/flatlet	10	
Reporting Level	Detail	Total	
7	Type and number of grants and subsidies received:		R (000s)
	The LLM does not receive grants for housing delivery	0	0
8	Total operating cost of housing function		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1	housing delivery in Impumelelo	1220 allocated; 39 wallplates; 39 foundations	100%
2	Housing delivery in Kwazenzele	69 allocated houses; 91 wallplates; 61 roofed; 152 foundations	100%
3	Close-off Project Ext. 1,3,5,6,7 and 8	Complete	100%
4	Hostel Upgrading	Not yet started due to Housing Department's financial constraints	100%
5	Obed Nkosi	Installation of services for 300 stands	

Function:	Waste Management		
Sub Function:	Solid Waste		
Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling	22 000	R9 761
Description of the Activity:	The refuse collection functions of the municipality are administered as follows and include:		
,	Audit of Dusbins, Spot fines, issuing of notices, re-inspections, ensure that contracts are in place with private providers, Purchase of approved capital items, Determine needs and compile budget accordingly.		
	The municipality has a mandate to:		
	Refuse - and night soil removal, cleaning of vacant stands and cleaning the environment		
	The strategic objectives of this function are to:		
	To provide a clean and safe environment by ensuring that all residents have access to refuse and night soil removal (where applicable)		
	The key issues for 2010/11 are:		
	Ensure that each household has a dusbin, Ensure weekly refuse removal services. Eliminate illegal dumping, erection of no dumping signs, ensure the removal of nightsoil, develop an IWWP, provide compactor containers at the transfer station, provide rotating lawn mower, contracts with private providers, conduct age and fitness analysis of functional personnel, legalising Devon dumping site, access to mass container services for indigents		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with refuse removal:	51	R (000s)
	- Professional (Engineers/Consultants)		
	- Field (Supervisors/Foremen)	2	
	- Office (Clerical/Administration)		
	- Non-professional (blue collar, outside workforce)	44	
	- Temporary	5	
	- Contract		
2	Number of households receiving regular refuse removal services, and frequency and cost of service:	23 700	R (000s)
	- Removed by municipality at least once a week	23 700	
	- Removed by municipality less often		

Function:	Waste Management		
Sub Function:	Solid Waste		
Reporting Level	Detail	Total	
	- Communal refuse dump used		
	- Own refuse dump		
	- No rubbish disposal - poor refuse removal Blue Valley	1 300	
		85 night soil	
3	Total and projected tonnage of all refuse disposed:	14 500 - 18 300 ton per year(exclude illegal dumping as well)	
	- Domestic/Commercial	23 700	
	- Garden	500	
	- Other	1 300	
	Total number, capacity and life expectancy of refuse disposal sites:	1 Devon (20yr)	20 yr
4	- Domestic/Commercial (number)		
	- Garden (number)		
	Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period	1 Transfer station & dumping site Devon	Transfer station 50 yr, Devon site 20 yr
Reporting Level	Detail	Total	
5	Anticipated expansion of refuse removal service:		R (000s)
	- Domestic/Commercial	6 000	R5 000
	- Garden	29 000	R15 000
6	Free Basic Service Provision:		
	- Quantity (number of households affected)		
	- Quantum (value to each household)		
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
7	Total operating cost of solid waste management function		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Upgrade Dumping Site Devon	Legalise existing dumping site and legalise a new dumping site in Devon	600	R5 000

Function:	Waste Water Management		
Sub Function:	Sewerage etc		
Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities	18 000	R9 271
Description of the Activity:	The sewerage functions of the municipality are administered as follows and include:		
	The Council have 18 000 full water bond system are maintained and repaired	18 000	R200
	The municipality has a mandate to:		
	Provide every household with sewer system		
	The strategic objectives of this function are to:		
	Provide all formalised households with water bond system		
	The key issues for 2010/11 are:		
	To upgrade and maintain sewer network in Lesedi and repair toilet water leakages		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with sewerage functions:		R (000s)
	- Professional (Engineers/Consultants)	1	R2 000
	- Field (Supervisors/Foremen)		
	- Office (Clerical/Administration)		
	- Non-professional (blue collar, outside workforce)		
	- Temporary		
	- Contract		
2	Number of households with sewerage services, and type and cost of service:		R (000s)
	- Flush toilet (connected to sewerage system)	18 000	R12 600
	- Flush toilet (with septic tank)	200	
	- Chemical toilet		
	- Pit latrine with ventilation	400	R1 600
	- Pit latrine without ventilation		
	- Bucket latrine	85	
	- No toilet provision	2 000	R14 000

Function:	Waste Water Management		
Sub Function:	Sewerage etc		
Reporting Level	Detail	Total	Cost
3	Anticipated expansion of sewerage:		R (000s)
	- Flush/chemical toilet	6 000	42 000
	- Pit latrine		
	- Bucket latrine		
	- No toilet provision		
4	Free Basic Service Provision:		
	- Quantity (number of households affected)	18 000	
	- Quantum (value to each household)		
Reporting Level	Detail	Total	Cost
5	Total operating cost of sewerage function	18 000	R9 271
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Upgrade Sewer Network	Reroute sewer lines in Aton Lake and upgrade sewer pipeline in Sigasa street Ratanda	R300	ongoing
VIP Toilets	Install 25 VIP toilets in Driemanskap and 20 in Devon. Outstanding VIP toilets to be install in Ratanda is 1 000	R587	R1 500
Upgrade Sewer Network Jameson Park	Remove pipe Disa ave and install a new sewer pipe and 40 complete connections	R500	ongoing

Function:	Road Transport		
Sub Function:	Roads		
Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction	692km	R18 511
Description of the Activity:	The road maintenance and construction responsibilities of the municipality are administered as follows and include:		
	Maintenance of Roads & resealing	692km	R12 511
	The municipality has a mandate to:		
	Maintain & Upgrade Roads&Stormwater		
	The strategic objectives of this function are to:		
	To provide roads & stormwater to all residents of Lesedi & maintain it.		
	The key issues for 2010/11 are:		
	Building of new roads in previous disadvantage areas		
	Resealing of Roads		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with road maintenance and construction:	41	R12 511
	- Professional (Engineers/Consultants)	2	R600
	- Field (Supervisors/Foremen)		
	- Office (Clerical/Administration)		
	- Non-professional (blue collar, outside workforce)		
	- Temporary	30	R189
	- Contract		
2	Total number, kilometres and total value of road projects planned and current:	139km	R486 000
	New paved roads	2.78km	R4 000
	- Existing re-tarred (number)		
	- New gravel (number)		
	- Existing re-sheeted (number)		
3	Total kilometres and maintenance cost associated with existing roads provided		R (000s)
	- Tar / paved roads	213km	R350
	- Gravel	479km	R500

Function:	Road Transport		
Sub Function:	Roads		
Reporting Level	Detail	Total	Cost
4	Average frequency and cost of re-tarring, re-sheeting roads		R (000s)
	- Tar	5km	R2 000
	- Gravel	20km	R400
5	Estimated backlog in number of roads, showing kilometres and capital cost		R (000s)
	- Tar	85km	R90 000
	- Gravel to be paved	139km	R486 000
Reporting Level	Detail	Total	Cost
6	Type and number of grants and subsidies received:		R (000s)
	MIG Funds	2,7km	R3 875
7	Total operating cost of road construction and maintenance function	692km	R12 511
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Maintenance Roads & Storm-water	Maintenance of all gravel roads are done in Lesedi area	R850 000	R1 000
Upgrade Roads	To provide Roads to all households - Tar / paved	139km	R486 000
New Roads	The Council completed 2,78km of roads in the 2008/09 budget		
	Roads are constructive labour intensive strategy (paving of roads)		

Function:	Water		
Sub Function:	Water Distribution		
Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water	18 000	R28 152
Description of the Activity:	The water purchase and distribution functions of the municipality are administered as follows and include:		
	The Council maintain 18 000 water reticulation connections and stand pipes.	18 000	R700
	The municipality has a mandate to:		
	Provide water to each and every household		
	The strategic objectives of this function are to:		
	Supply and maintain water network		
1	Number and cost to employer of all personnel associated with the water distribution function:	24	R (000s)
	- Professional (Engineers/Consultants)	1	R700
	- Field (Supervisors/Foremen)	1	
	- Office (Clerical/Administration)		
	- Non-professional (blue collar, outside workforce)		
	- Temporary		
	- Contract		
2	Percentage of total water usage per month		
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer		R (000s)
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:		R (000s)

Function:	Water		
Sub Function:	Water Distribution		
Reporting Level	Detail	Total	Cost
5	Total year-to-date water losses in kilolitres and rand		R (000s)
Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service:		R (000s)
	- Piped water inside dwelling		
	- Piped water inside yard		
	- Piped water on community stand: distance < 200m from dwelling		
	- Piped water on community stand: distance > 200m from dwelling		
	- Borehole		
	- Spring		
	- Rain-water tank		
	Note: if other types of services are available, please provide details		
7	Number and cost of new connections:		R (000s)
8	Number and cost of disconnections and reconnections:		R (000s)
9	Number and total value of water projects planned and current:		R (000s)
	- Current (financial year after year reported on)		
	- Planned (future years)		
10	Anticipated expansion of water service:		R (000s)
	- Piped water inside dwelling	10 000	R60 000
	- Piped water inside yard		
	- Piped water on community stand: distance < 200m from dwelling		
	- Piped water on community stand: distance > 200m from dwelling		
	- Borehole		
	- Spring		
	- Rain-water tank		
11	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	- Piped water inside dwelling		
	- Piped water inside yard		
	- Piped water on community stand: distance < 200m from dwelling		

Function:	Water		
Sub Function:	Water Distribution		
Reporting Level	Detail	Total	Cost
	- Piped water on community stand: distance > 200m from dwelling		
	- Borehole	10	R100
	- Spring		
	- Rain-water tank	20	R100
12	Free Basic Service Provision:		
	- Quantity (number of households affected)		
	- Quantum (value to each household)		
13	Type and number of grants and subsidies received:		R (000s)
14	Total operating cost of water distribution function	18 000	R28 152
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Upgrade Water Lesedi & Extension of Network	Replace Water Pipeline in Devon. Install water pipeline in small farm holdings and installation of 25 water tanks Driemanskop,	R500	ongoing
Water Hydrant & valve installation	Repair and install valve's in Lesedi area	R100	ongoing

Function:	Electricity		
Sub Function:	Electricity Distribution		
Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity	18 000	R79 726
Description of the Activity:	The electricity purchase and distribution functions of the municipality are administered as follows and include:		
	The Council provide electricity to 18 000 houses and 50kwh units free		
	The municipality has a mandate to:		
	Provide all households with electricity		
	The strategic objectives of this function are to:		
	Maintain and supply a stable electricity supply to the community		
	The key issues for 2010/11 are:		
	To supply electrical house collections to Ext 2 Impumelelo		
	Upgrade Electrical Network and Maintain Network		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with the electricity distribution function:	37	R5 711
	- Professional (Engineers/Consultants)	1	R1 500
	- Field (Supervisors/Foremen)	2	
	- Office (Clerical/Administration)		
	- Non-professional (blue collar, outside workforce)		
	- Temporary	10	R63
	- Contract		
2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer		R (000s)
	- Residential		
	- Commercial		
	- Industrial		
	- Mining		
	- Agriculture		
	- Other		
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:		R (000s)
	- Household		
	- Commercial		

Function:	Electricity		
Sub Function:	Electricity Distribution		
Reporting Level	Detail	Total	Cost
	- Industrial		
	- Mining		
	- Agriculture		
	- Other		
4	Total year-to-date electricity losses in kilowatt hours and rand		R (000s)
5	Number of households with electricity access, and type and cost of service:		R (000s)
Reporting Level	Detail	Total	Cost
	- Electrified areas		
	- Municipal	18 000	
	- Eskom	4 000	
	- Alternate energy source		
	- Gas		
	- Paraffin		
	- Solar		
	- Wood		
	- Non electrified		
6	Number and cost of new connections:		R (000s)
	New Connections	600	R4 500
7	Number and cost of disconnections and reconnections		R (000s)
8	Number and total value of electrification projects planned and current:		R (000s)
	- Current (financial year after year reported on)		
	- Planned (future years)		
9	Anticipated expansion of electricity service:		R (000s)
	Obed Nkosi	6 000	R3 000
	Kloof	200	R100
	Ext 12 Heidelberg	500	R250
	Kaydale	4 000	R2 000
	Bergsig	550	R275
	Portion 104	480	R240
	Zone of Opportunity	150	R300

Function:	Electricity		
Sub Function:	Electricity Distribution		
Reporting Level	Detail	Total	Cost
10	Estimated backlog in number (and cost to provide) electrical connection:		R (000s)
	All formalized stands have electrical connection	18	
11	Free Basic Service Provision:		
	- Quantity (number of households affected)	18	
	- Quantum (value to each household)		
12	Type and number of grants and subsidies received:		R (000s)
13	Total operating cost of electricity distribution function		R79 726
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Infrastructure	Upgrade Electrical Network Heidelberg	600	R600
	Upgrade Electrical Network Jameson Park	300	R300
	New switching substation Impumelelo Ext 2	2 100	R2 500
	Maintenance Electrical Network	6 550	R6 550
	Building a new main substation Jameson park	2 500	R3 100
	Upgrade Retief substation Heidelberg - completion June 2010	3 100	R4 000
	Upgrade Ratanda Substation	800	R800
	Installation of Meter Protective Kiosks Ratanda	600	R600

Function:	Electricity		
Sub Function:	Street Lighting		
Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of street lighting to the community	2 850	R1 700
Description of the Activity:	Street lighting responsibilities of the municipality are administered as follows and include:		
	Maintenance on a regular basis weekly & monthly	2 850	R550
	The municipality has a mandate to:		
	To repair & install new streetlights		
	The strategic objectives of this function are to:		
	For security & side walks & road lighting		
	The key issues for 2010/11 are:		
	To reduce energy, to change 125w streetlights with 75w streetlights.		
Analysis of the Function:			
1	Number and total operating cost of streetlights servicing population:		R (000s)
	Streetlights repair 2008/09	2 850	R850
2	Total bulk kilowatt hours consumed for streetlighting:		
	200w x 2850 =570x 0,9 x 365 X 11	2059	R865
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Upgrade Streetlights	Install new Streetlights	100	200

NOTES

This image shows a full page of blank handwriting practice paper. It features 20 evenly spaced, horizontal green lines that run across the entire width of the page. The lines are thin and consistent in color, providing a guide for letter height and placement. There are no margins, text, or other markings on the page.

NOTES

This image shows a blank sheet of white paper with horizontal green ruling lines. The lines are evenly spaced and run across the width of the page, providing a guide for writing. There are no margins, text, or other markings on the paper.

NOTES

This image shows a blank sheet of white paper with horizontal green ruling lines. The lines are evenly spaced and run across the width of the page, providing a guide for writing. There are no margins, text, or other markings on the paper.

NOTES

This image shows a single sheet of white paper with horizontal green ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.